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ABSTRACT

In the business of development, breakthroughs require international communication to help spread potential benefits widely. Obstacles demand international commitment to marshal vision, resources, and effort sufficient to the challenge. This issue of "Cooperation South" contains a two part focus, conveying innovations in development policy and performance, while providing critical reviews of the big issues tackled during the 2000 global conferences. The "Development Policies and Performance" section contains six articles: (1) "Learning to Listen, Listening to Learn: Participatory Approach to Programme Development" (John F. E. Ohiorhenuan); (2) "Towards Balance in Aid Relationships: Donor Performance Monitoring in Low-Income Developing Countries" (Gerry Helleiner); (3) "Human Rights, Human Development and the Seven Freedoms" (J.Paul Martin); (4) "The African Growth and Opportunity Act of the U.S." (Julius Nyang'oro); (5) "The New Partnership Agreement between ACP and EU: Unresolved Issues" (Severine M. Rugumamu); and (6) "Supply-Side Industrial Strategy: The Case of Bosnia and Herzegovina" (Dragoljub Stojanov). The "World Issues and World Conferences" section contains five articles: (1) "Women's Issues Five Years after Beijing: Progress and Drawbacks" (Hilkka Pietila); (2) "World Social Summit 2000: Ten Benchmark Issues"; (3) "From Population to Reproductive Health: Finding a New Yardstick" (Balla Musa Silla); (4) "The First South Summit: A Critical Evaluation" (Bhaskar Menon); and (5) "Sustaining Our Future: The Millennium Report of the UN Secretary-General" (Kofi Annan). Additional articles are: "Windows on the South: Current Trends, Perspectives, and Events" and "Sharing Ideas--Breaking the Silence on AIDS in Africa." (BT)

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Development Policies and Performance-- World Issues and World Conferences.

Cosmas Gitta, Editor

United Nations Development Programme, New York, NY.

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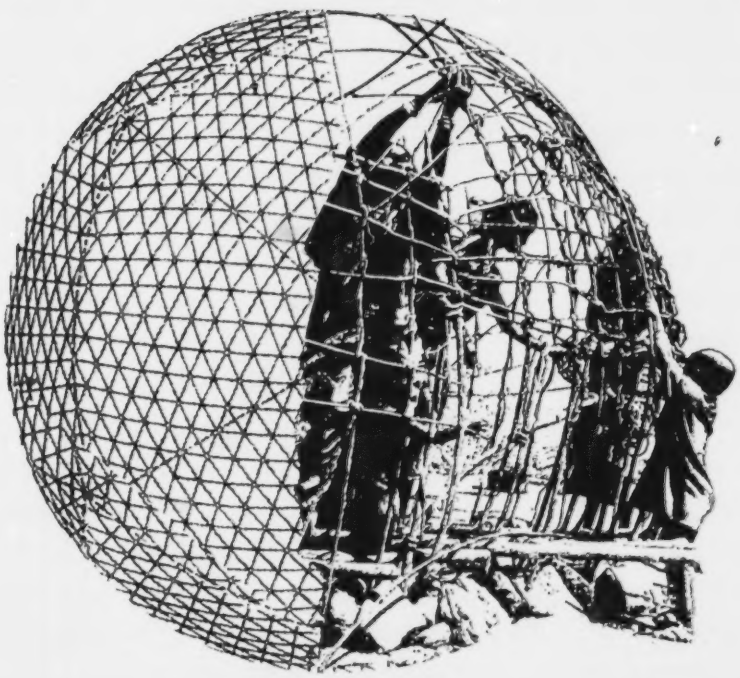
Cooperation South



DEVELOPMENT POLICIES AND PERFORMANCE
WORLD ISSUES AND WORLD CONFERENCES

NUMBER TWO
2000

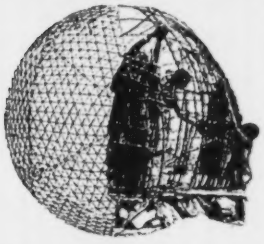
3

UNITED NATIONS DEVELOPMENT PROGRAMME
SPECIAL UNIT FOR TECHNICAL COOPERATION AMONG DEVELOPING COUNTRIES

THE CREATIVITY OF 4.7 BILLION PEOPLE

THE COVER DESIGNS USED ON ISSUES OF THIS JOURNAL PRESENT ARTIFACTS OR ARTWORKS THAT DEMONSTRATE THE CREATIVITY AND CONNECTIVITY OF PEOPLE ACROSS THE SOUTH.

Nomadic geodesics



Over the centuries, many nomadic and seminomadic cultures have inhabited the desert environments which stretch across the African continent. Pastoral peoples continue to live in these harsh habitats. In building shelter for themselves, they are architecturally inventive, drawing on carefully selected local resources that both suit and support their culture.

For example, in northern Kenya, key to the viability of the Gabra people is spatial mobility and the primary responsibility of women for the domicile. In line with these requirements, they have designed a system of shelter which can be disassembled for transport to new home sites on the backs of camels. And women are the primary producers and transporters of this shelter, as well as its owners and main users. They select bendable branches and trunks of the shrub- and tree-sized acacia which typically grow in thickets in the sandy and clay soils of desert grassland, rocky plains and washes. Using their knowledge of the physical properties of wood and aerodynamic design, they produce geodesic and tensile structures which are virtually "woven" together. The cover shows Gabra women rebuilding their tent framework on a new site (right, photo by Labelle Prussin), employing the same sophisticated principles as the famous geodesic domes created by the Western architect Buckminster Fuller, as shown in his drawing on the left.

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The emblem of Technical Cooperation among Developing Countries (TCDC) displays a symbolic bridge joining the countries and people of the Southern hemisphere.

The centre of the emblem—where the Southern, Northern, Eastern and Western parts of the world join—symbolizes a further and ultimate objective of TCDC: the promotion of a truly global partnership for development.

COVER MONTAGE: MARY ZEHNGUT

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FROM THE ADMINISTRATOR

AT THE HISTORIC United Nations Millennium Summit last September, world leaders endorsed a set of shared development objectives for the year 2015 that include:

- Halving the proportion of people living on less than $1 a day
- Enrolling all children, boys and girls, in primary schools
- Reducing maternal mortality by three-quarters and under-five child mortality by two-thirds
- Halting and reversing the spread of HIV/AIDS, malaria and other major diseases, and providing special assistance to children orphaned by HIV/AIDS

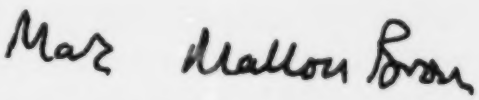
As governments and other actors now seek to live up to these promises, they need to take advantage of the growing body of knowledge, experience and tested tools to confront the challenges ahead.

We enter the 21st century with a much better grasp of what development is about. From a narrow focus on income growth, it is now widely understood that people-centered development combines sustainable growth, poverty eradication, human development, environmental protection, institutional transformation, gender equality and human rights protection. Broad consensus also exists on the need to expand growth and combat poverty at the same time. The challenge for UNDP and other multilateral actors is to help developing countries evolve the right mix of institutions to support their own development policies and priorities.

As we do this, we now have powerful new tools available, particularly information and communications technology (ICT). As the leading edge of globalization, ICT has helped to generate an unprecedented spread of wealth and knowledge in some parts of the world. But it has also led to the creation of a vast new digital divide that has exacerbated the gap between the rich and the poor — the information haves and information have-nots. Bridging this information gap is a daunting task. But I firmly believe that if we approach the issue with smart thinking, real commitment and proper resources, information technology can do more to help the poor, the isolated and the excluded

than nearly any other resource currently available in the development toolbox.

In all these activities, South-South cooperation will inevitably be an immensely valuable resource for developing countries. Several of these countries have already made remarkable strides in achieving key development goals. Others can and must learn these lessons. In that context, I am very pleased to present to you the current issue of Cooperation South. One set of articles examines key global issues, while another explores experiences in development policy and performance which can benefit developing countries as well as aid programmes.



Mark Malloch Brown, Administrator
United Nations Development Programme

EDITOR'S FOREWORD

Communication and Commitment

In the business of development, there are many breakthroughs and obstacles, large and small. Breakthroughs require international communication to help spread potential benefits widely. Obstacles demand international commitment to marshal vision, resources and effort sufficient to the challenge. This issue of *Cooperation South* has that two-part focus, conveying some innovations in development policy and performance that warrant wider airing, while also providing critical reviews of the big issues tackled by the round of global conferences during 2000.

DEVELOPMENT POLICY AND PERFORMANCE

In its new concentration on policy support and advisory services for institution building, UNDP needs to adopt a participatory approach to programme development and implementation — listening, forging partnerships, promoting mutual learning and sharing of experiences. To this end, John Ohiorhenuan presents the full rationale and an actual case study of this approach in his article, "Learning to Listen, Listening to Learn: Participatory Approach to Programme Development". Ohiorhenuan's contribution concludes his tenure as Editor-in-Chief of this journal (he recently became the new United Nations Resident Coordinator in the Republic of South Africa).

There is an "enormous imbalance" in the measurement and monitoring of aid relationships, as described by Gerry Helleiner. He sees that many measures for policy change and performance in developing countries are donor-driven, ignoring indicators of donor performance that would be useful to recipient countries. He argues for example, that an important performance indicator for donors should be whether they provide timely data on their aid to recipient governments.

Reviewing the *UNDP Human Development Report 2000*, Paul Martin considers it an important instrument for bringing human rights advocacy and development closer together. He sees its two main strengths as: highlighting poverty as a major cause of human rights violations and a prime target for remedial action; and advocating a human rights approach that introduces the concepts of duty, accountability and culpability into development thinking.

Assessing the new "Africa Growth and Opportunity Act" of the U.S., Julius Nyang'oro concludes that this trade law has little direct benefit for African countries, in large part because Africa's economic transformation really depends on what happens inside the continent. He argues that Africa needs to "set its own house in order"

through a dynamic approach to regional cooperation, and that this is the essential key to breaking into global markets.

The new Partnership Agreement between the European Union (EU) and 70 African, Caribbean and Pacific (ACP) countries improves on the previous Lome Conventions, according to Severine Rugumamu. Its flexibility, allows nonstate actors to participate in managing development cooperation, and complements other international development commitments for poverty reduction and sustainable development. However, he cautions that EU-ACP power asymmetry leaves room for reinterpretation of the Agreement by the dominant party to suit its own needs.

Among the economies in transition in Eastern Europe, Bosnia and Herzegovina has the additional challenge of postwar reconstruction. Dragoljub Stojanov sees that, under the economic policies pursued since the signing of the Dayton Peace Accord in 1995, economic development has hardly started because the "demand management" policies prescribed by the IMF and World Bank are not appropriate. The author suggests that the country's best path from a socialist to a modern economy is supply-side economics based on increased productivity and competitiveness.

WORLD ISSUES AND WORLD CONFERENCES

The year 2000 has been a turning point in the world's treatment of development issues. Major international conferences assessed the actions taken and still outstanding issues on women's concerns, population and reproductive health, and social development, as well as the broad range of future tasks for the world community in the new century. The main coalition of the developing countries also rethought and reenforced its functions in its first-ever summit meeting. Five articles offer some signposts at this crossroad.

Hilkka Pietilä examines international efforts towards women's empowerment and advancement over a quarter century. The Platform for Action adopted in 1995 is "rich and progressive", but its implementation has been weak. She concludes that there is still a long way to go to "mainstream" gender perspectives and assessments of gender impact as part of national laws, plans and programs. To travel that distance, the momentum of the global women's movement must be maintained.

Assessing the follow-up to agreements reached at the International Conference on Population and Development held in Cairo in 1994, Balla Musa Silla finds that donors, country planners and health agencies are still puzzled about the shift in programming and funding the activities it prescribed. He explains that Cairo resulted in a shift towards building community services, which cover the full range of people's reproductive health needs and choices, not just family planning. This for many countries is still a new and complex idea, Silla concludes.

Under the auspices of Social Watch, NGOs and civil society organizations from around the world evaluated what has happened since the World Summit on Social Development (WSSD) in 1995. Key problems identified are that donor promises to assist developing countries have not been fulfilled, citizen participation is paltry, and globalization is not benefiting those most in need. An article based on Social Watch monitoring reports looks at ten benchmark issues taken up at the WSSD follow-up conference, and compares expectations with delivery.

Reviewing the first South Summit, Bhaskar Menon notes that it resulted in bold moves by the Group of 77 to increase its capacity and revive its effectiveness in support of economic and social development. Focusing on globalization, South-South cooperation and North-South relations as priority themes, the summit's decisions have potentially significant impact, but the Group must surmount serious internal obstacles in implementing these decisions.

The UN Secretary-General outlined new challenges for the new century in his report to the UN's year 2000 "Millennium Summit." The Executive Summary of that document highlights such issues as globalization and governance, freedom from want and fear, environmental and natural resource protection, and renewing the UN.

John F.E. Ohiorhenuan

Learning to Listen, Listening to Learn:

A PARTICIPATORY APPROACH TO PROGRAMME DEVELOPMENT

by JOHN F. E. OHIORHENUAN

In South-South cooperation, the sequencing and style of relationship building among partners goes hand in hand with the substance which flows in the exchange of experience. Sharing capacities is the crucial process and ingredient, and a participatory model of programme development is the surest guarantee of true collaboration and sound results. This approach and an example of its application in one region is described by John F.E. Ohiorhenuan, who was Director of the UNDP Special Unit for Technical Cooperation in 1997-2000.

INTRODUCTION

At this time of unprecedented and rapid global change, UNDP is repositioning itself to be a more effective player, leveraging its unique asset as a trusted and impartial multilateral organization. The essence of this repositioning as elaborated in the Administrator's business plan is "moving upstream". In practical terms this means moving away from supporting a plethora of small-scale projects that are not linked to policy change, to supporting a more limited but more strategic set of programmes that can have a major impact on poverty eradication, UNDP's overarching goal. Policy-driven, these programmes would aim to assist developing countries develop the kinds of transparent, efficient and inclusive policies and institutions necessary

* The views expressed here are the author's, and not necessarily those of the United Nations. The author is indebted to Heba El-Kholy, Sr. Regional Officer in the Special Unit for TCDC, for her assistance in preparing this article and, particularly for generously contributing her extensive documentation of the programme described in the section, "Putting the Participatory Model to Work" (pp. 11ff).

to meet development challenges in an increasingly global, complex, and rapidly evolving world. Upstream activities, such as support for policy processes and institution building, will thus be the hallmark of the new UNDP.

What does this new position mean for UNDP's approach to programme development? The business plan recognized that responding effectively to the increasing demand from programme countries for upstream policy support requires fundamentally rethinking the organization's approach to programming. It means, first and foremost, ***listening*** much more carefully to our multiple clients; it means renewed commitment to programme country ***ownership*** and country-driven programming; it means much more emphasis on networking and building strategic, result-oriented ***partnerships,*** both within and outside the UN system; it means developing new modes and incentives for ***learning*** and sharing of good practices and lessons learnt; it means stopping some activities which are relatively expensive while reaching only a limited number of people; it means a nonnegotiable commitment to ***sustainable results***. In committing to South-South cooperation as a major pillar in the new UNDP, the business plan also suggests a more determined and systematic effort to harness good practices in the South and to foster South-South exchange of capacities, experience and expertise.

The purpose of this paper is twofold. The first is to briefly describe an approach to programming developed by UNDP's Special Unit for TCDC which appears to offer some promise for translating the new UNDP vision into practice. The model emphasizes four elements that are central to the organization's new vision: *listening*, *ownership*, *partnering* and *learning*. The second is to present a case study of the application of the model to a particular problem in a domain of growing concern to developing countries.

A PARTICIPATORY MODEL OF PROGRAMME DEVELOPMENT

Recognizing the primacy of programme countries' own priorities, the Special Unit for Technical Cooperation among Developing Countries (SU/TCDC) has historically supported a broad spectrum of small-scale activities in response to project proposals on an ad hoc basis. Responding to a continuous stream of proposals has often resulted in spreading limited resources too thinly to have the kind of impact or sustainability that our clients demanded. Moreover, programming on a first-come, first-served basis has often meant that some potentially high impact activities are turned down because funds have already been fully committed.

Against this background, but also because of fundamental changes in the international economic system since the adoption in 1978 of a plan of action at the UN Conference on TCDC, a "New Directions" strategy for TCDC was endorsed by the UN General Assembly

in December 1995. The new strategy called for a reorientation of TCDC to focus on strategic initiatives that would have a major development impact on a large number of developing countries. It also recommended a thematic focus on trade and investment, debt, environment, poverty alleviation, production and employment, and macroeconomic policy coordination and management.

Over the last five years, the work programme of the SU/TCDC has been informed by the New Directions strategy. In particular, from 1997, the Special Unit has rigorously rethought its approach to programme development to focus on a limited number of "flagship" interventions, each with the potential to impact on a sizeable number of developing countries. Recognizing that impact depends critically on effective commitment by the programme countries, the flagship initiatives are predicated on their active participation.

The natural starting point of any programme is the clear determination of objectives and their location with the broad matrix of priorities of a country or region. This is the basic rationale for the emphasis by UNDP and other partners on "dialogue" with client governments and other stakeholders as a fundamental requirement in programme or project development. The United Nations has, since the late 1980s, increasingly shifted its assistance from a project to a programme approach. General Assembly Resolution 44/211 (1989) urged the United Nations system to adapt its programming by basing it on a comprehensive, country-driven and coherent national programming process. Emphasis is placed on national dialogue among multiple stakeholders at the country level to analyze problems and constraints in an integrated and multidisciplinary manner, to determine policies, strategies and objectives, to agree on specific areas where UNDP has a comparative advantage, and to mobilize resources. UNDP formally adopted this programming approach in 1992, but its application has been uneven across the organization. More recently, the United Nations Development Assistance Framework (UNDAF) and the World Bank's Comprehensive Development Framework (CDF) represent tools for the clarification of strategies and objectives, the determination of resource constraints, and the identification of required support from external partners.

The model advanced by the Special Unit for TCDC is not only fully compatible with the spirit of these and similar instruments, it is predicated on their existence. This model includes two main innovations. First, it highlights the critical TCDC requirement of sharing capacities. It attempts to advance, demonstrate, and document a participatory model of programme development that is centered on building South-South alliances through all phases of the process. Second, the model clearly demarcates the stages of programme

development to ensure that no critical link is missed. It should be noted, however, that in practice, significant overlap would be normal. This model unfolds in five basic phases focused on listening, partnering, piloting, learning and replicating proven development practices.

Listening

Programme development starts with listening to the relevant major players: programme countries, UNDP country offices, specialized institutions and agencies, and donors in order to determine:

- realistic development goals and modalities of implementation;
- problem areas that are best approached through South-South alliances;
- the extent of effective demand for assistance and of beneficiaries' own commitment;
- existing related interventions to achieve complementarity and avoid duplication; and
- possible partners, donors and experts in the South.

The listening process may be facilitated by an expert or consultant who designs such tools as survey questionnaires, and/or a concept paper to spur informed discussion on the programme area. Also essential is the identification of individual Southern experts, policy makers and centers of excellence which can be convened to analyze the problem at hand, consider strategies, review possible partnership arrangements, identify TCDC entry points and ascertain intercountry and interregional linkages. It is important to set up discussion groups as early as possible in the listening phase. Through the creative use of information and communication technology, this need not be a costly endeavour.

Partnering

Broad consultations are essential to winning support for the programme from multiple partners. Experience has shown that while many individuals and institutions are open to cooperative arrangements, they tend to resent being co-opted into activities they did not participate in planning. To secure commitment to the programme, the discussion groups set up earlier in the listening phase, are built on through face-to-face negotiations and consultations. Broad-based consultation during planning helps determine:

- Strategic partners and their comparative advantages
- The appropriate "anchor(s)" for the programme in the South
- Needs and capacities existing in the South
- Roles for different partners to play in twinning arrangements

The emphasis at this stage is on allocating leadership roles to specific institutions, agreeing on programme results and resource commitments in cash or kind, and determining ways to make the programme sustainable.

Piloting

The information gained through broad consultation enables the Unit to respond to a specific challenge by matching capacities and needs among subscribers to the initiative. A programme document is prepared and critically reviewed in house as well as by the key external partners. The initiative is launched when the document is cleared by participants and funding is secured. The document specifies the capacities to be reinforced as well as the various roles and twinning arrangements to which the partners have agreed. The emphasis in preparing the programme document is to map out all processes in a manner that facilitates future replication of the programme.

Learning

The documentation of success, failure, difficulties and experience gained in the formulation and implementation of the programme forms an important part of the pilot programme process. Care is taken in the earlier phases to build in mechanisms for learning and the distillation of important lessons, and to encourage a spirit of openness and sharing among all partners. To do so, it is crucial that any assessments or learning events not be tied to future funding, and that all partners buy into the importance of the learning itself. In implementation, learning is pursued through:

- continuous review and feedback;
- information exchange and sharing of experience among participants taking advantage of the new information technology; and
- periodic collective assessments at workshops and similar learning events.

Once documentation is completed, it is essential that the lessons learnt are shared as widely as possible.

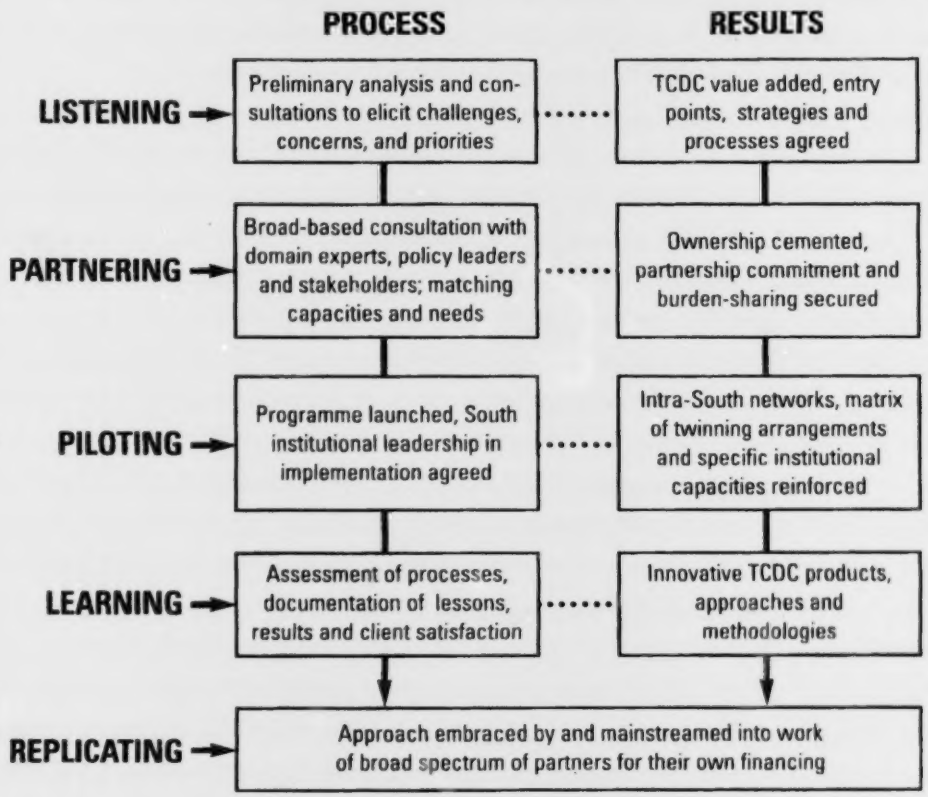
Replicating

The ultimate purpose of documenting this approach to programme development is to encourage replication and avoid "reinventing the wheel" in development work. It is hoped that with rigorous documentation of processes, specification of results, and highlighting implementation problems, future programming will benefit. Successful programmes can be adapted to other places or other problems, and other partners may adopt this approach in their work programmes by using their own resources.

PUTTING THE PARTICIPATORY MODEL TO WORK

The Special Unit for TCDC has recently applied its new approach to one specific programme which is aimed at strengthening the competitiveness of Arab region economies through harmonization of production standards, and ensuring that the region's industrial products meet international quality standards and regulations. In essence, this programme is focused on policy reform and institutional capacity building in the area of standards and conformity assessments, often referred to as

Figure 1—PROCESS MAP FOR TCDC FLAGSHIP INITIATIVES


PROCESS
RESULTS
LISTENING
Preliminary analysis and consultations to elicit challenges, concerns, and priorities
TCDC value added, entry points, strategies and processes agreed
PARTNERING
Broad-based consultation with domain experts, policy leaders and stakeholders; matching capacities and needs
Ownership cemented, partnership commitment and burden-sharing secured
PILOTING
Programme launched, South institutional leadership in implementation agreed
Intra-South networks, matrix of twinning arrangements and specific institutional capacities reinforced
LEARNING
Assessment of processes, documentation of lessons, results and client satisfaction
Innovative TCDC products, approaches and methodologies
REPLICATING
Approach embraced by and mainstreamed into work of broad spectrum of partners for their own financing

"national quality infrastructure".[1]

The rationale for the programme rests on two interrelated facts. First, within the context of globalization, standardization and conformity assessment policies and mechanisms have an important impact on trade flows, and hence economic development in the South. In the current global trade regime, standards and conformity assessment can either facilitate trade or frustrate and impede its expansion. Second, the potential to use standards as hidden trade barriers is immense. As tariff levels drop dramatically, nontariff barriers to trade assume greater significance. These include technical barriers to trade deriving from differences in national standards and conformity assessment procedures. Countries risk being marginalized in global trade if they fail to institute and enforce internationally recognized rules and standards in the regulation of local markets. The lack of a well-defined and internationally acceptable national quality infrastructure is clearly of paramount importance to developing countries in their pursuit of competitiveness. Nearly all product and service sectors of the 136 member countries of the

WTO are governed by one or more WTO agreements. Moreover, the principles established within the framework of WTO apply not only to WTO members, but also to nonmembers if they wish to do trade with member countries.

The challenge for the Arab world in this regard is particularly daunting, given the fact that integration of the region as a whole into the world economy remains relatively low. In fact, apart from the 1970s, the region's integration has lagged behind most other low and middle-income regions. Between 1986 and 1996, the trade integration ratio for the Arab states as a whole declined, while most other regions saw a sharp increase in international trade. Although some countries in the region — Algeria, Morocco, Tunisia, Jordan, Egypt and Yemen — showed robust export growth in the early 1990s, by 1996, the trend had reversed and become negative.[2] In real terms, the Arab world's goods and services exports as a percentage of total world exports have declined since the oil boom period in the 1970s, from 10.5 percent in 1980 to 2.1 percent in 1997.[3]

Rooted in the TCDC modality which seeks to harness the best capacities in the South in support of the development of other Southern countries[4], the programme development process was divided into five stages, closely in line with the model described above. Some stages however have been modified to suit the actual situation on the ground, as described below.

Assessing demand and capacities in the South

To help determine demand for capacity building on national quality assurance policies and institutions, a survey was conducted through a questionnaire, which was sent to all countries in the Arab States region covered by UNDP. The questionnaire had two purposes. First, to gauge demand and interest in initiating a programme in this field by government authorities and the UNDP country offices, providing a basis for selection of participating countries. Second, to provide a general assessment of the strengths and capacity gaps in the selected countries of the Arab region.

Involving key players at the earliest stage of programme development was seen as key for the success and sustainability of the programme. To that end, the questionnaire was sent with a technical background note to the Minster of Industry and Trade in each country, via the UNDP country office. This ensured the involvement of the country office in the proposed programme from the very start. It also ensured political awareness of the programme at the highest national level in the respective countries.

In addition to enabling the SU/TCDC to select countries based on demand, replies to the questionnaire provided important data on the current status of the national quality infrastructure in the selected countries. Analysis of the questionnaire replies was complemented by studies carried out previously

by key actors in this field, the UN Industrial Development Organization (UNIDO) and the UN Economic and Social Commission for West Asia (ESCWA). The presentations made at a programme formulation workshop in Rabat (see below) were also analyzed.

The responses revealed a number of capacity gaps in the eight Arab countries which completed the questionnaire[5]. After careful analysis, it was decided to focus the programme on the following three capacity gaps, which lend themselves particularly well to being addressed through a TCDC modality.

Gap #1. The lack of well-defined national quality policies

A national quality policy is crucial for setting the broad framework for overall decision-making regarding the organization of the national quality infrastructure in a country. But most countries in the region do not yet have well-defined national quality policies. To be effective and inclusive, such a policy must be developed through a process of consensus among all interested parties — the government, the private sector, consumers and exporters. Among other things, this policy has to encompass the organization of the technical regulatory activities (including the roles of the various ministries and authorities concerned with standardization, accreditation, certification, inspection, testing and metrology); the establishment of a legal framework with enforcement mechanisms; and the fostering of a national quality movement with training and education of the public.

On the basis of the policy, a strategic action plan is established for future work on quality infrastructure development in the country. This plan can also be used to channel resources available for development work, including support provided by different donor organizations. It also provides a tool to monitor progress, assess the status of national quality infrastructure at any given time, and direct government and donor agency resources more precisely to relevant areas.

Gap #2. Lack of current staff skills in accreditation and standardization bodies

An expert assessment of the skill and knowledge levels in the five participating institutions from the Arab world, indicated that knowledge, skills and competencies are particularly lacking in three areas: (1) the preparation, adoption and application of technical regulations and standards, in line with the World Trade Organization agreements on Technical Barriers to Trade (WTO-TBT), recommendations of the International Standards Organisation (ISO) and the OECD Code for Good Regulatory Practices; (2) international standards and guidelines regarding the independence, impartiality, competence and organization of accreditation bodies; and (3) certification as established in international guides.

Extensive training is needed to support the growth of industry and trade based on a culture of quality and standards. In participating institutions, selected decision-makers, senior staff and other personnel need to know about the new concepts and techniques in standardization and quality management. This is a prerequisite for these organizations to restructure and revise their mandates or legal identity in line with new international requirements. Developing a critical mass of trained personnel is essential for countries to effectively implement their National Quality Policies and Strategic Action Plans, and to set up national and regional accreditation schemes. Some of the training, particularly on-the-job and coaching, should naturally take place at national level via twinning arrangements; and some training could take place at subregional and regional levels to minimize costs and foster sharing of experiences.

Gap #3. Lack of a regional accreditation scheme

Accreditation is one of the most important components of national quality infrastructure. Accreditation enables laboratories, certification bodies and inspecting bodies to prove that their operations are reliable according to international standards and guidelines established and approved by international accreditation organizations. Existing cooperation between accreditation bodies in many regions of the world ensures that individual national bodies operate according to international principles. Mutual recognition agreements are established within many regions, leading to interregional agreements. In this way, operations of all accreditation bodies of the world become more harmonized so as to work together better and receive international recognition.

No regional cooperation on accreditation is currently taking place in the Arab world. Some countries in the region are starting to establish full-fledged accreditation activities at the national level, but this is hindered by two shortfalls. First, the large numbers of specialized human resources required for accreditation in all fields and sectors are not available in most of the countries. Second, there are not enough laboratories, certification bodies and inspection bodies in each country to operate fully functional accreditation bodies providing services in all fields and sectors.

A regional accreditation scheme would thus be of great use to the region. Experiences in other regions of the world show that it benefits all countries in a region or subregion to establish a common approach to accreditation. This can be done by forming a network where the technical competence in all the countries is used to support the operation of national accreditation schemes, in line with internationally recognized principles for conformity assessment. Such cooperation would ensure optimal use of scarce resources in the region. It

also would greatly facilitate the expansion of intra-Arab trade — a major economic goal of the region, which has been given a boost by the recent agreement to set up the Arab Free-Trade Zone.

Countries and institutions in the South were identified as which could be possible resources for filling the three capacity gaps. This was done through consultations among technical consultants from SU/TCDC, ISO, UNIDO, ESCWA, and the Arab Industrial Development and Mining Organisation (AIDMO). The selected countries are: Colombia, Malaysia, Namibia, South Africa, Sri Lanka and Turkey. These six have a variety of capacities to share. South Africa, Namibia and Sri Lanka all have well-developed national quality policies and strategic action plans that are in line with international requirements and have been developed through a highly participatory process. The relevant institutions in Colombia, Malaysia, and Sri Lanka have strong training facilities and capacities in the fields of standards and accreditation. The SADC region, of which South Africa and Namibia are part, offers one of the "best practices" from the South of a cost-effective regional accreditation scheme that is internationally recognized (the Southern African Regional Accreditation Committee).

Building strategic partnerships

Within UNDP, the programme development process benefited from early discussions with colleagues in the Regional Bureau of Arab States (RBAS) in New York, and the bureau was kept fully informed of developments during the design process. The head of the RBAS regional programme participated in the final programme formulation workshop held in Rabat. Impressed by the participatory approach to building capacity in this field, RBAS expressed willingness to support the SU/TCDC programme substantively and financially, building synergies with existing RBAS programmes in the same field.[6]

Links were also established with UNDP country offices at the Resident Representative level in the region. All correspondence is channeled through them. Technical notes and discussion papers developed in this programme are shared with them. In the spirit of partnership, they were informed of the outcome of the Rabat workshop and encouraged to interact with the returning participants, through a letter sent jointly by the Director of RBAS and the Director of the SU/TCDC. The basis for a synergistic and mutually beneficial relationship between RBAS and the SU/TCDC has thus been established and is expected to continue and be further cemented during the implementation phase.

Early in the design process, consultations were held with key external partners involved in this field and important documents, data and experiences were exchanged. A concerted effort was made to build on the work of other organiza-

tions and avoid duplication. A strategic partnership around the goals and expected results of the programme was developed at the highest level with UNIDO and ESCWA, whose representatives participated in the programme formulation workshop. UNIDO has committed to finance elements of the proposed programme within its ongoing programmes and funds in all the participating countries. ESCWA has similarly indicated willingness to cooperate in the programme, particularly for setting up a regional accreditation scheme, and has committed funds to the programme.

To ensure continued partnership during the implementation phase, representatives from AIDMO, ESCWA, UNIDO and RBAS will serve on the Advisory Committee of the programme, which will be chaired by the SU/TCDC.

Fostering commitment, ownership and sustainability

The unit made a concerted effort to identify an appropriate "anchor" for the programme in the Arab world, which would provide it with the necessary political backing, foster ownership and ensure sustainability. Consultations with various partners identified AIDMO as a key intergovernmental organization in the Arab world in this field. A specialized agency of the Arab League, AIDMO has been engaged in a systematic effort to enhance quality infrastructure in the Arab region over the past 20 years, and is thus well positioned to take a lead role as the SU/TCDC partner in this initiative.

AIDMO agreed to host the programme formulation workshop at its headquarters in Rabat, Morocco. The organization covered all costs of logistics and local transportation for the workshop, and temporarily released the director of its standards department to act as liaison and coordinator for the workshop. It encouraged and achieved extensive local media coverage to help build public awareness of the issues discussed at the workshop. The role of AIDMO has attracted important political backing to the programme. It is particularly important that the June 2000 high-level Council of Arab Ministers of Trade and Industry officially endorsed the programme. Its resolution "supports the proposed programme with the SU/TCDC, UNDP, which aims to enhance and develop national standards and conformity assessment policies in the Arab region and establish a regional accreditation body" (Resolution number 293 of the Interministerial Council, June 10-12, 2000).

South-South twinning and partnership agreements

The fourth building block in the programme development process was the creation of a platform for exchanging expertise and experience between the participating "resource" and "beneficiary" countries, and for negotiating twinning arrangements to bridge capacity gaps. This took place during the workshop organized by the SU/TCDC and

hosted by AIDMO in Rabat, May 8-10, 2000. The workshop was opened by the Moroccan Minister of Trade, and was attended by 22 participants from 13 countries representing four developing regions (Asia, Latin America, Africa and Arab states). Participants were representatives of the standards and/or accreditation bodies in their respective countries at the director or deputy director level.

The workshop concluded with a number of agreements instituting twining arrangements for collaboration among partners at national, regional and global levels. The anticipated activities in these alliances aim to:

- Build national capacity for the formulation of national quality policies and strategic action plans in the beneficiary Arab countries. Twinning arrangements for this purpose were agreed upon between Lebanon and Namibia, Lebanon and Columbia, Yemen and Sri Lanka, Tunisia and South Africa, Morocco and South Africa, as well as Algeria and Malaysia. Study tours, attachments and on-the-job training are among the means by which capacity building is planned through these twinning arrangements.
- Build national capacity of standardization and accreditation bodies in select countries. Short-term training (and training for trainers) programmes for personnel in relevant institutions have been agreed upon between Morocco, Algeria, Yemen and Turkey. Similar agreements were reached by Yemen, Lebanon and South Africa, as well as Yemen, Algeria and Malaysia.
- Promote mutual recognition and accreditation systems in the Arab world. A regional accreditation services agency is to be set up utilizing the expertise and experience of the South African Development Community (SADC) in setting up a regional accreditation scheme.
- Strengthen the capacity of Southern countries to share experience and formulate common negotiating positions at international forums. An interregional networking facility is to be set up to facilitate knowledge networking among institutions and experts in the South. It is envisaged that the "Web of Information for Development (WIDE), an Internet-based information system owned by UNDP, would be a viable medium for such collaboration.

Figure 2, below, provides an overview of the objectives and expected outputs of this programme.

Learning: Participatory monitoring and documentation

The fifth and final stage is participatory monitoring and documentation during the implementation phase. Mechanisms for documentation activities have been built into various stages of the programme so as to capture and distill lessons learnt

Figure 2—SCHEMATIC PRESENTATION OF OBJECTIVES AND OUTPUTS

	IMMEDIATE OBJECTIVES	EXPECTED OBJECTIVES
NATIONAL	▪ Building capacities for formulation of National Quality policies and action plans ▪ Training personnel of standardization and accreditation agencies	▪ National Policy on Quality formulated (South Africa & Namibia support Lebanon, Yemen, Tunisia & Morocco; Colombia supports Lebanon) ▪ Accreditation systems established (Malaysia supports Algeria and Morocco) ▪ Action plans formulated (South Africa and Sri Lanka support Yemen, Tunisia, Morocco and Lebanon)
REGIONAL	▪ Harmonizing production standards and accreditation systems ▪ Fostering mutual recognition of accreditation systems in the Arab World	▪ Regional Accreditation Service (RAS) is established (Support from South Africa and members of SADC) ▪ A critical mass of people trained (Support from South Africa, Turkey and Malaysia)
GLOBAL	▪ Strengthening the capacity of Southern countries to share experience and expertise	▪ Compendium of best practices in quality infrastructure management prepared ▪ Internet-based interregional network is established ▪ Comprehensive report documenting programme development & implementation produced

(both shortcomings and successes), refine the methodologies used, and share these lessons both inside UNDP and with the larger development community. An analytical framework for the documentation will be drawn up early on in the implementation process. An on-line discussion forum will be set up to facilitate exchange of implementation experience among programme partners throughout the duration of the programme. Midway through the programme, partners will be brought together at a workshop to share their experiences and to document the lessons learnt from the programme design to its final implementation. Based on these discussions, a comprehensive report will be prepared to share the experience that these 13 countries have gained in confronting the challenges posed by the need to ensure the conformity of their services and products to internationally recognized standards and rules.

CONCLUSION

This paper has described a participatory model of programme development centred on fostering South-South exchanges of capacities, expertise and experience. In efforts to mainstream the TCDC modality, it is important to share information on feasible approaches and good practices. In such exchanges, it is crucial that processes be laid out in some detail to facilitate learning and experimentation.

The application of the model to an issue of great interest to developing countries is probably important in itself. But it is perhaps of greater significance in illustrating that, with some creativity, even apparently complex programme challenges can be tackled as South-South exercises with reasonably robust outcomes. As a final observation, it must be stressed that the model is not static. It is adaptable enough to accommodate refinements specific to the particular problem being tackled.

NOTES

[1] The national quality infrastructure of a country refers to the mechanisms to ensure the conformity of products and services to internationally recognized rules and standards. The mechanisms include procedures for the establishment of rules governing products and services as well as the procedures for ascertaining conformity with the rules so established. The Quality Assurance Infrastructure covers the following activities: (1) preparation, adoption and application of technical regulations; (2) preparation, adoption and application of standards; (3) accreditation; (4) certification; (5) inspection, (6) testing; (7) metrology; and (8) enforcement methods. See: Ettarp Lars. "An Overview of International Conformity Assessment Systems," The Swedish Board for Accreditation and Conformity Assessment (SWEDAC), April 1999.

[2] Ready-made garments, leather and leather products, footwear, furniture, wood and wood products, rubber, plastics and related products, and processed foods are some of the main industrial exports of the region.

[3] See: Bernard Hoekman and Hanna Kheir El-Din, editors, *Trade Policy Developments in the Middle East and North Africa*, Mediterranean Development Forum, World Bank, 2000.

[4] The programme utilizes four specific TCDC modalities: (a) capacity and needs matching exercises, (b) workshops, (c) study tours, and (4) twinning arrangements.

[5] These are Lebanon, Egypt, Saudi Arabia, Yemen, Tunisia, Morocco, Algeria, and the United Arab Emirates.

[6] UNDP, Regional Bureau of Arab States, 1996. Project RAB/96/001/01, "Follow-up to the Uruguay Round—Support to Arab Enterprises in the Fields of Quality and Information-related Aspects of the TBT."

Towards Balance in Aid Relationships:

DONOR PERFORMANCE MONITORING IN LOW-INCOME DEVELOPING COUNTRIES

by GERRY HELLEINER

Many measures have been devised for policy change and performance in developing countries, but these are mainly driven by aid donors' needs. Indicators of individual donor performance that are useful to recipients should also be weighed and reported to them. Ways of doing this are suggested by Gerry Helleiner, Professor Emeritus of Economics and Distinguished Research Fellow at the Munk Centre for International Studies, University of Toronto in Canada.

THE NEW AID PARTNERSHIP: RHETORIC AND REALITY

"Partnership" between rich countries and the poor countries struggling for development and poverty reduction has been part of approved rhetoric in the "development community" for a very long time — at least since 1969, when the Pearson Commission published "Partners in Development" (Pearson et al., 1969). It has rarely been effectively practiced. Some practitioners have long doubted whether it was possible. In a critique of the Pearson Report when it was released, I. G. Patel accurately anticipated the problems that would inevitably bedevil the aid relationship for (at least) the next thirty years.

> *"Unfortunately, the concept of a genuine partnership in development ... lacks credibility. There has never been any real sense of equality between donors and recipients even when they attend the same consortium meetings and sit around the same table in many other forums. For the recipient to be frank about the policies or attitudes of donors in a forum where aid is to*

* This paper was prepared for a Festschrift in honour of Lance Taylor.

be distributed is about as difficult as the proverbial passage of the camel through the eye of a needle. Criticism of donor policies, even when it comes from nonrecipients, is seldom answered in the manner in which recipients are obliged to answer the most far-reaching criticism of their own policies. There are obviously two sets of rules .... A mere equality of opportunity in engaging in dialogue cannot establish parity in decision-making .... The doctrine of mutuality in monitorship or genuine partnership in development is impractical ...." (Patel, 1971: 305)

By the mid 1990s, the donor-driven character of aid programs and the limited local "ownership" that inevitably accompanied them had brought many analysts and policymakers, at last, to the realization that a new kind of "partnership" between rich nations and poor was required in aid relationships (though not, it must hastily be added, in global economic governance (Helleiner, 2000c). As the chairman of the OECD's Development Assistance Committee (DAC) put it in 1996:

"If donors believe in local ownership and participation, then they must seek to use channels and methods of cooperation that do not undermine those values. External support must avoid stifling or attempting to substitute for local initiative .... The principles of self-reliance, local ownership and participation which underlie the partnership approach are inconsistent with the idea of conditions imposed by donors to coerce poor countries to do things they don't want to do in order to obtain resources they need. That view of conditionality was always of dubious value. Treating development cooperation as a partnership makes clear that it is obsolete." (OECD, 1996a: 7). (See also 1996b.)

To make such new partnerships work and to achieve real developing country "ownership", there has to be a shift away from the previous relatively passive mind-set, common among aid recipients, towards active leadership in the development of "home-grown" development programs. Developing countries, particularly their governments, have to develop clearer views as to precisely what forms of external support they require. In one of the relatively few recent statements of Africans' views on these matters, this point is made explicitly and clearly:

There has to be a shift away from a relatively passive mind-set, common among aid recipients, towards active leadership in the development of "home-grown" development programs.

"... *African countries ... need to*

more precisely define what external assistance they require, based on clearly defined national goals and an exhaustive mobilization of national capacities and resources. For most countries to move forward, it is imperative that both the donors and the recipients seriously rethink the purpose and nature of aid to Africa. No doubt, some aid plays some positive role, but policymakers should initiate a major debate about the potential for channelling aid in a manner that enhances the building and use of African human resources, mobilizes domestic resources, and weans African economies away from an aid dependence that simply does nobody any good." (Mkandawire and Soludo, 1999: 121)

Of course, aid donors must mean what they say about rethinking and reforming current aid modalities. There is still a curious "disconnect" between donors' general rhetoric on these issues and actual practice on the ground (Helleiner, 2000a; Sweden, 1999).

There is a current donor consensus that "aid works" when domestic policies are of the character that the World Bank perceives as "right", and when these policies are truly domestically "owned." This is based on World Bank analysis (Burnside and Dollar, 1997; World Bank, 1998), which has been subject to such serious methodological challenge that it cannot be sustained (Hansen and Tarp, 2000; Lensink and White, 2000).

There is still a curious "disconnect" between donors' general rhetoric on aid issues and actual practice on the ground.

Yet there is intuitive and obvious sense to the proposition that if overall policies are grotesquely inappropriate, aid is unlikely to have much effect; and that unless sound policies are domestically supported, they are unlikely to be sustainable. Argument as to the details of appropriate policy, sequencing, threshold effects, and the role of initial conditions is bound to continue. Now that domestic ownership is so much emphasized, one would expect that, when push comes to shove, such arguments between donors and recipients would now more frequently grant the benefit of the doubt to recipients. But it is still difficult to find hard supporting evidence of any such change in donor behaviour (as opposed to donor rhetoric). Both the international financial institutions and the bilateral donors continue to seek detailed policy influence, even if it is now ostensibly within a recipient-led "comprehensive development framework". In any case, the actual role of ODA is only likely to be comprehensible, and analysis of its effects of use for policymaking purposes, at the level of specific individual countries.

MEASUREMENT OF PERFORMANCE IN LOW-INCOME COUNTRIES

In the extensive experience and literature of structural adjustment and development in low-income countries, there has been no shortage of policy prescriptions and performance indicators for the adjusting countries. From early emphasis on macroeconomic policies and indicators, to later more microeconomic measures, e.g. privatization and liberalization, to still later emphasis on governance and institutions, and now to poverty reduction, the international financial community has kept the pressure on for policy change and quantifiable measures of their extent. At the same time, concern has grown over the effects of aid dependence, for which appropriate measures also had to be devised. (For a succinct recent summary, see Lensink and White, 1999.) As the emphasis has changed, measurement of aid recipients' "performance" has frequently become more difficult. Measures of "good governance" have been devised — incorporating such elements as the extent of the rule of law, assessments of governmental effectiveness, and the frequency of corrupt and illegitimate payments to officials (Kaufman et al., 1999a and 1999b); so have measures of local "ownership" (Johnson and Wasty, 1993). But how to weight and aggregate the disparate components of concepts like these remains subject to argument; in the end it is a matter of arbitrary judgment.

As concepts of poverty expand to incorporate dimensions other than sheer income, together with education, health and the like, and/or anthropometric measures, e.g. weight and height for age, similar problems arise. Vulnerability, powerlessness and voicelessness (emphasized, for example, in the *World Development Report, 2000*, on poverty) are not easy to quantify; power and voice also raise issues of the distribution of income and assets, which has its own huge literature on alternative measurement approaches. Yet poverty reduction is now proclaimed to be the principal objective of IMF/World Bank programs and international development assistance. Evidently performance, of the currently approved sort, will be more difficult to measure than it was in the "old days" of IMF credit ceilings, inflation and growth rates. Of one thing, however, one can be sure: as quickly as new concepts of appropriate policies and performance appear, legions of (primarily Northern) research professionals will embark upon fresh efforts to clarify and quantify them.

One can perhaps understand, and even rationalize, all of this continuing effort to measure policy change and "performance" in the low-income countries which are, after all, the object of global development effort. But there can be no doubt that the effort has been essentially driven by the "needs" of the aid donor community, rather than those of the developing countries themselves. One cannot help wondering whether equivalent expenditure on the research priori-

ties of policymakers and researchers based within developing countries would not have been far more effective use of "development" funding. I do not propose to enter here into a debate as to what these local research priorities might be; they are bound to be highly area- and country-specific. Rather, I want to call attention to the enormous imbalance in measurement and monitoring effort within the so-called "aid relationship".

AID PERFORMANCE MONITORING: CURRENT SYSTEMS

What is most striking in the widely shared aspiration towards a new form of aid partnership is the failure to follow it up with a more balanced approach to performance monitoring. Although the details have changed, nothing essential has changed in the degree of reporting required of the aid-receiving countries or the intensity of monitoring of their performance by the IMF, World Bank and individual bilateral donors. Indeed, with the introduction of the Poverty Reduction Strategy Paper (PRSP), external demands upon already overstretched authorities in the low-income countries have probably risen. Nothing has been done, however, to increase the (extremely limited) transparency or accountability of any of the bilateral aid donors or international institutions as they interact with the low-income countries in a purportedly "new" form of aid partnership.

What is most striking in the widely shared aspiration towards a new form of aid partnership is the failure to follow it up with a more balanced approach to performance monitoring.

What information, and in what form, would be most useful to the low-income partners in the aid relationship? What performance indicators should be measured and reported on the side of individual aid donors?

At present, the only major official source of aid performance data and performance evaluation is the Development Assistance Committee (DAC) of the OECD. Its published data are the product of information supplied by donors themselves. It uses its own (highly arbitrary) definition of official development assistance (ODA), and what it reports (and evaluates) is only at a highly aggregated level, the level of total performance by each individual donor country. Donor performance evaluations are undertaken via "peer review" by other DAC members. Aid recipients have not been involved in any DAC decision-making as to the definition of development assistance, the determination of which data to request and report, the nature of its reports and evaluations, etc. Nor have they been involved in performance evaluations. The DAC is very much a donor

organization, and it is designed to serve the needs of its members. Recipients are not members and have no voice. If its data-reporting systems and performance evaluations are of limited usefulness to aid recipients, this should therefore not occasion much surprise.

The main elements of what the DAC reports on individual donor ODA performance are as follows:

- Total net ODA flows (disbursements and commitments) and flows to principal recipients (top fifteen for each donor)
- Total gross ODA disbursements and commitments, and their grant equivalent, as percentage of donor GNP
- ODA net disbursements and commitments and their grant element to low-income countries (LICs) and least developed countries (LLDCs), as percentage of donor GNP
- ODA net disbursements per capita of donor country
- Tying status of total commitments, excluding technical cooperation
- Aggregate technical cooperation commitments
- Aggregate composition of commitments, by major uses and purposes.
- Price deflators are presented for each donor, permitting the calculation of constant-price flow data over time. At the level of individual recipient countries, total net ODA receipts are reported in absolute terms and as a percentage of recipient GNP.

Unfortunately, there is a significant (typically two-year) lag in the availability even of these data. Valuable as all of these data may be for general and *ex post* analysis, they are of no use to developing country policymakers who require current, country-specific and detailed information for budget preparation and planning. Nor are the performance indicators and peer evaluations usable in the building of partnerships between the donor community and individual recipient countries.

Northern NGOs have made valiant efforts to provide more independent assessments of aid efforts (notably in their *Reality of Aid* reports, e.g. Randel et al., 2000) and even to publish valuable information on developing country debt to OECD official agencies.But they, like everyone else, are seriously hampered by the lack of transparency in aid and official lending.

AID PERFORMANCE MONITORING: WHAT IS NEEDED

It is worth asking what the recipients would really like to have reported and evaluated, if they were in charge of the monitoring and evaluation systems.

1. Recipient country specific data

Obviously the most important consideration for aid recipients is that data and evaluation systems relate to their own budgeting and planning needs — and their own country-specific statistical categories and decision-making timetables. To be useful to them, donor performance

Table 1—ODA AS PER CENT OF GNP*

Countries	1991-92	1996-97
Mozambique	108.7	41.1
Tanzania, United Republic of	49.4	13.4
Uganda	24.8	12.1
Ethiopia	14.1	12.1
Rwanda	20.3	39.2
Zambia	33.6	17.5
Madagascar	14.9	16.5
Mali	17.0	19.0
Malawi	28.6	18.6
Burkina Faso	15.4	15.9
Niger	16.0	15.8
Eritrea	...	17.8
Nicaragua	46.0	39.0

**These figures depend heavily upon the exchange rate used to convert foreign currency expenditures to local currency. Source: DAC, 1999, p. A62.*

monitoring and evaluation must take place at the level of activities within their own countries, the activities over which they, at least in principle, have jurisdiction and can exercise their sovereignty. Strange as it would seem to any visiting Martian seeking to understand how "aid partnerships" work, such recipient-country-level systems, those most likely to be useful to recipients, do not exist.

Aid donors evidently feel no compunction to report to the governments of recipient countries what exactly they are doing there, what they have done in the past, or what they intend to do in the future.

2. Compliance with recipient requests for information

Aid donors evidently feel no compunction to report to the governments of the countries in which they conduct their activities as to what *exactly* they are doing there, what they have done in the past or what they intend to do in the future, let

alone to do so in harmonized categories, or according to timetables (or, in some cases, even in a language) that might be most useful to the local authorities. In the relatively infrequent instances when national governments have asked donors to supply such information, they have typically pleaded inability to do so or have complained of the inordinate cost of attempting it. In consequence the economic decision-making in the more aid-dependent of the low-income countries is severely constrained in terms of critical data. According to DAC data, official development assistance (ODA) amounts to significant proportions of many recipient countries' GNP (see table 1).

The degree of donor compliance with recipient government requests for standardized and timely aid data should therefore be an important performance indicator for donors. Such compliance may depend on the nature of the data request, but donor-recipient dialogue should be able to engender agreement as to what is most useful and feasible to supply. The performance indicator may have to be fairly crude, e.g. a dichotomous (yes/no) measure for each donor.

3. *Degree to which ODA expenditures fall within recipient budgetary system*

A common popular misconception about ODA is that it is all passed through a recipient government system, even through its budget. For better or for worse, however, this is typically *not* the case. High proportions of ODA expenditures are made *directly* to the suppliers of goods and services to aid agencies — private firms, NGOs, individuals. Some of these direct expenditures are made to nationals of the recipient country — firms, NGOs, individuals, sometimes even local rather than national governments. Traditionally, more have gone to foreigners, notably from the donor country. In the latter case, these funds do not register in either the donor or recipient country's balance of payments statistics, except indirectly when/if their recipients spend some of them in the recipient country. Needless to say, decisions as to the uses and recipients of such "direct funds" are made exclusively by the donors. In Tanzania, where strenuous efforts have purportedly been made to transfer "ownership" of development programs from aid donors to the government, only 30 per cent of ODA was estimated to flow through the government budget in fiscal year 1999 (Government of Tanzania/World Bank, 1999; and unpublished sources report the same number for fiscal year 2000.) The proportion of each donor's ODA expenditures that finds its way into the national budget system is therefore another reasonable performance indicator for donors; this should be inclusive of debt forgiveness and contributions to debt-servicing funds.

4. *Integration and coordination within national plans and priorities*

A related issue is the degree to which

donor projects and expenditures are coordinated and integrated into national and sectoral plans and/or recognize the declared priorities of recipient governments. The clearest and simplest manifestation of donor willingness to coordinate their support and follow national leadership is through contributions to sectoral or cross-sector "basket funds", administered by recipient governments, in accordance with objectives and priorities agreed with the contributing donors. Donor support of this kind should be reflected in the data on the share of ODA making its way through the recipients' budgetary systems. But donors may also consciously tailor their activities and projects to recipient priorities, whether national or sectoral, and/or attempt to coordinate their support, standardize their accounting and reporting systems, reduce transactions costs for recipients, etc. without going all the way to "basket fund" contributions (which some donors are constrained, by their own national legislation, from making). On the other hand, they may continue, as they have so often done in the past, to set their own agendas and "push" projects that are not high in the recipients' order of priorities.

Some attempt should be made to assess donor coordination and willingness to accept local priorities in a systematic way. To some degree, what transpires in this respect is the product of the recipient government's determination to take leadership. In this respect, the assessment might be considered as among the most important indicators of the success of the aspired-for partnership, transfer of leadership and achievement of local "ownership". Perhaps a quantitative (negative) indicator of this, if it is feasible, is the percentage of ODA commitments or expenditures which appear to "stand alone", *outside* of agreed priorities or coordination systems.

5. *Shortfalls from ODA promises*

Aid donor announcements and even formal commitments often bear little relationship to subsequent actual disbursements. There are many reasons for this: administrative delays; recipient failure to meet pre-stipulated donor conditions, e.g. on local cost co-financing; changed political or economic circumstances in either donor or recipient countries, etc. By no means all the fault for donor shortfalls (overspending does not often occur) rests with the donors. For effective policymaking, however, one must have reasonably accurate resource projections, on a year-by-year basis, and preferably for longer periods, such as are covered by a medium-term expenditure framework (MTEF). It may

Aid donor announcements and even formal commitments often bear little relationship to subsequent actual disbursements.

be more important to have *predictable and reliable* resource inflows than to have large flows that are highly erratic and uncertain. There must be a presumption that, where general macroeconomic management remains sound, and particularly in the case of general or sectoral budget support, the primary responsibility for exceptionally large shortfalls rests with the relevant donors. Their actual disbursements should therefore be monitored in the context of their own prior commitments. Their shortfalls, individual and collective, should constitute another performance indicator. It would also be useful to calculate shortfalls in different kinds of ODA, not least those identified as especially valuable in 3 and 4 above.

6. *Compensatory and contingency financing*

It is important to recognize the exceptional need for liquidity and contingency finance in the poorest and least developed countries. Their structures and size make them peculiarly vulnerable to "shocks" from weather, terms of trade and even (though this is less widely recognized) private capital flows (Helleiner, 2000b). At the same time, their access to commercial bank finance is limited and/or costly, and the opportunity cost of the holding of foreign exchange reserves is always high in poor countries. IMF funding availability falls far short of the amounts required fully to offset these countries' shocks. In any case, IMF funding is not available without new conditions, even from its so-called "Compensatory and Contingency Finance Facility (CCFF)". This entails delays and heavy transactions costs at a time of already increased pressures on policymakers' time and energies. The IMF thus can no longer be described as a source of increased "liquidity", even with respect to the limited funds it can provide.

This situation could improve if bilateral donors, who routinely disburse collectively far greater amounts in support of poor countries than the IMF or World Bank, were willing. They could choose purposefully to alter the time profile of their disbursements for budget or balance of payments support in response to individual recipient countries' shock-generated needs for liquidity. Such "compensatory" variability of donor flows would help to impart greater predictability to entire country programs rather than merely to donor flows; and this could be extremely helpful to recipient countries. Donors might well devote greater attention to this potential stabilization role. Those able to perform such a role should obviously be favourably recognized for doing so rather than recorded as offering unstable and unpredictable finance.

7. *Tying of procurement*

The tying of aid has long been recognized as costly to recipients, particularly when it relates both to its use and to its procurement source. It is particularly costly to the poorest countries who are least

likely to be able to respond to its potential costs by taking maximum advantage of fungibility. Despite years of effort, OECD/DAC members have still not been able collectively to agree to untie all aid to the least developed countries.

Another obvious donor performance indicator, then, is the percentage of ODA which is provided, whether in project or program form, on an untied basis with respect to country of procurement. Since some donors have been willing to permit local sourcing or sourcing in other poor countries, while retaining the tying requirement on any "external" expenditures, it would probably be best also to record the percentage of ODA for which such partial sourcing freedom exists. Technical assistance/cooperation raises so many further issues (see below) that these measures of aid donor tying should be calculated exclusive of technical assistance/cooperation expenditures, as well as in total.

8. *Role of technical assistance/cooperation*

Technical assistance/cooperation expenditures have played a major role in overall aid to the poorest countries. That role has been controversial and is highly politically sensitive. The emerging consensus among aid analysts is that, great as the need for technical expertise may be in most of the poorest countries, traditional technical assistance/cooperation activities have been signally ineffective in sheer cost-benefit terms (e.g. Berg, 1993). Expatriate expertise is frequently ill-informed and/or insensitive to local realities; typically generates little domestic learning, memory or capacity-building; sometimes serves donor rather than development interests (including donor monitoring and control objectives); and is always extremely costly. As both developing countries and donors have shifted their emphasis (at least at the level of their rhetoric) to long-term capacity-building, the limitations of the traditional model of expatriate technical assistance have been increasingly recognized. The latest World Bank research report on African prospects states: "... on balance, it is likely that [these] aid programs have weakened rather than strengthened capacity in Africa. Technical assistance has served to displace local expertise and even substitute for civil servants pulled away to administer aid-funded programs — precisely the opposite of the capacity-building intentions of both donors and recipients" (World Bank, 2000a, chapter 8).

The emerging consensus among aid analysts is that traditional technical assistance and cooperation have been signally ineffective in sheer cost-benefit terms.

Technical cooperation expenditures in sub-Saharan Africa still amount to about

US$ 4 billion per year, and about one-quarter of all bilateral assistance to the region. In some countries these expenditures account for 40 per cent of total ODA (World Bank, 2000a, chapter 8). Under the traditional modalities, these numbers are simply too high; and recipients resent their perceived opportunity costs.

Another suitable (negative) donor performance indicator could be the percentage of its aid which is spent upon donor-country tied technical assistance/cooperation. Although there are plenty of "useful" expatriates working in poor countries, the presumption must be that this is not generally now a wise use of limited aid funds, particularly when it has not been requested, and that recipient freedom from procurement tying increases overall cost-effectiveness. Hence good donor performance means a low percentage devoted to tied technical assistance. One could imagine some positive indicator of contributions to long-term capacity-building as a complement to this somewhat "negative" indicator; but this would have to be somewhat subjective and hence more difficult to devise.

9. *Qualitative assessments of ownership, etc.*

On other dimensions of the aid relationship there might also have to be resort to more qualitative assessments, undertaken by independent evaluators, of individual and collective donor performance. In one recent such exercise, in the United Republic of Tanzania, an independent assessor assigned letter grades to the collective performance of donors with respect to a variety of promises they had made regarding the transfer of "ownership" of development programs, along with relevant commentary (Helleiner, 1999).

10. *Time horizon for ODA commitments*

Some attempt should be made to record systematically the degree to which donors have been able to make longer-term commitments, e.g. within the framework of an MTEF.

11. *Humanitarian versus development assistance*

Although the distinction between humanitarian aid and development assistance is sometimes difficult to make, it is critical to efforts to assess the developmental impact of ODA in the poorest countries. Analyses of the growth or investment effects of ODA, of which there have been so many, and about which there has been so much controversy, must make this distinction if they are to carry any credibility; and most do not. DAC publications already draw this distinction in their aggregate data for individual donors. It should therefore be quite feasible to extract these useful specifics at the level of individual recipient countries. There should be no presumption as to which form of ODA is "better" in this effort to assemble information relevant to analysis of aid's impact.

12. Individual and collective donor performance indicators

All of these indicators should be recorded at the recipient-country level both for individual donors, at least the more significant ones in that particular country, and for the donor community as a whole.

OTHER DIMENSIONS OF EFFECTIVE AID PERFORMANCE MONITORING

1. Independence of monitoring authority

Fundamental to the credibility and effectiveness of any such performance monitoring is the independence of the evaluator(s). Neither the OECD/DAC nor the Bretton Woods institutions can be trusted to be neutral and apolitical in their assessments of donor performance. (There is room for doubt as to their record of neutrality as to the performance of recipients as well.) Political influences may also bedevil the potential UN role in such activities. Although the United Nations Development Programme (UNDP) has not as yet shown much interest in issues as potentially sensitive to its own major contributors, it (or possibly UNCTAD) could nevertheless serve as an appropriate financier and organizer of independent donor performance assessments via contracting with private individuals, teams of individuals ("panels"), or consulting firms to provide these services. The production of the UNDP's annual *Human Development Report* is handled in this manner. So are many of the other research and technical cooperation activities of both UNDP and UNCTAD. Alternatively, the work could be funded and contracted by groups of "like-minded" donors. Whoever the financiers/ organizers, it must be clear to all that the assessors retain absolute independence and that the contractors/donors carry zero responsibility for their conclusions.

2. Frequency of performance assessments

Since change in aid relationships is likely to take some time and since, in any case, every effort should be made by donors to reduce recipient transactions costs and take a longer view, the current one-year cycle for donor consultations and Consultative Group (CG) meetings is too short. The more balanced assessments of donor and recipient performance here recommended, and probably CG meetings themselves, need not take place so frequently. A two-year cycle might be most appropriate for a start.

CONCLUSIONS

Aid relationships have been difficult to change in low-income countries. Despite much donor rhetoric on the need for recipient ownership of development programs and the building of new forms of donor-recipient partnership, aid-supported programs are still basically donor-driven. The continuing imbalance in aid relationships is manifest in many ways. An important and previously neglected

dimension of the problem is the imbalance in performance monitoring as between donors and recipients. Whereas the behaviour and performance of low-income developing countries is measured and assessed in ever-increasing detail within the international community, the behavior and performance of their donor "partners" receives only cursory attention, except at an aggregate level which is of little operational usefulness to individual recipients. When it comes to performance monitoring, as in so many other spheres, the powerful (the donors and the international financial institutions) still call all the shots.

Genuine partnership in development requires the monitoring, by independent assessors, of individual and collective donor performance at the level of individual aid-recipient developing countries. Do donors live up to their rhetoric and their promises? In what measurable ways? It is not difficult to devise measures of donor performance at the recipient country level; and some have been suggested above. Instituting systems of donor performance monitoring at the recipient country level can assist in improving understanding of aid effectiveness; promote the new forms of partnership of which there is so much talk; and, most important, assist policymakers in low-income countries in their difficult task of promoting poverty reduction and development. It is long overdue. It is time for it to be done. □

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Human Rights, Human Development and the Seven Freedoms

by J. PAUL MARTIN

Poverty is a major cause of human rights violations. This and other linkages and interactions between human rights and human development are studied in the latest Human Development Report 2000 *published by UNDP. A review of this new publication is offered by J. Paul Martin, Executive Director of the Center for the Study of Human Rights at Columbia University in New York.*

THIS LONG-AWAITED REPORT is an important contribution to bringing the fields of human rights advocacy and development closer together. It is the product of a remarkably thorough process of wide consultation with experts in both fields. The report combines 128 pages of analytical articles and a comprehensive bibliography with 148 pages of country-by-country statistical data of human development indicators.

The most innovative contributions are the first chapter, written largely by Nobel prize-winning economist Amartya Sen, and the second, which describes struggles for freedom. Building on Sen's analysis in the first chapter, this second chapter proposes a new taxonomy comprising seven freedoms (see box). This formulation is designed to define common terms of reference for human rights and human development. The next three chapters examine respectively the role of democracy in promoting human rights, how rights empower in the fight against poverty, and indicators of accountability. The final chapter sets out priorities for action.

Overall the Report is optimistic, in the sense that it underlines the twentieth century's achievements in both human rights and development. It urges international actors to move "from naming and shaming to positive support" (p. 13).

It is impossible to address in depth the range of issues raised in the report. Given the extent of human suffering that we call human rights violations, the Report's conceptualization and findings are a call for more study and more action. Regarding the relationship between the human rights and human development paradigms, the Report, and Sen in particular, argue that they differ very little in the matters they deal with (as illustrated by the seven freedoms formula), as well as in the motivations and goals of their respective protagonists. Both human rights and human development use similar data, although the data currently available presents problems for both. Both perspectives also are mutually reinforcing, and both can learn from each other. The combination of these two perspectives gives us something that neither can provide alone. Defining "human development as the freedom to be able to live as we would like," Sen shows that achieving this state depends on personal and social capabilities and that democratic freedoms and civil rights can be extremely important for enhancing the capabilities of people who are poor. This expresses the standard argument in the human rights community that the realization of economic and social rights is closely linked to the condition of civil and political rights.

The two approaches are mutually reinforcing. The main contribution of the development approach to human rights thinking is to emphasize poverty as

SEVEN FREEDOMS

- **Freedom from discrimination - for equity**
- **Freedom from want - for a decent standard of living**
- **Freedom to develop and realize one's human potential**
- **Freedom from fear - with no threats to personal security**
- **Freedom of participation, expression and association**
- **Freedom from injustice and violations of rule of law**
- **Freedom for decent work, without exploitation**

a major cause of human rights violations and as a major target of any remedial policies. Chapter I is especially strong in its arguments in favor of the human rights approach on account of its emphasis on mechanisms of implementation and enforcement. "In asserting the right we are claiming that all are entitled to a free elementary education, and that if some persons avoidably lack access to it, there must be some culpability somewhere in the social system" (p. 21). While the word "avoidably" qualifies the statement, it is still strong language.

The chapter also points out that the human rights perspective emphasizes not only outcomes, but also how they came about. The rights of minorities, for example, cannot be sacrificed for the good of the whole. Moreover, if they are truly rights, the enjoyment of those outcomes must be socially protected and guaranteed. The human rights perspective adds to human development the concepts of duty, accountability and ultimately culpability, although Sen admits it can be difficult to apportion such responsibilities.

If this view were pursued to its radical conclusion, it would include a definition of duties and obligations, including not only ethical but also legal obligations. But these elements are never fully addressed in the rest of the report. Certainly there is no discussion of culpability. Poor governance and corruption in developing countries are only part of the problem. All potential actors — international organizations, governments, multinational corporations — are urged to "implement pro-poor policies and policymaking processes that guarantee the right to participation by the poor" (p. 88). Globalization and economic marginalization are seen as processes beyond the control of individual governments in developing countries. Both are having a major impact on poor, even only moderately poor, countries. For example, it is noted that in 1998 45 per cent of Ecuador's national budget went to debt servicing and only 4 per cent to health. But the relative impact of these global economic forces receives little attention in the report. Certainly they are not seen in a rights perspective. The plight of Angola is discussed without reference to the diamond trade. Past and current development interventions by the World Bank and other agencies are never put in question. The consequences of a rights perspective and popular participation have yet to be traced through into these areas.

As with all recommendations in an international document or conference, the lists of laudable priorities set out in chapter IV lack immediate political and economic context. With little resources and international support, the nations in greatest need can only go through the motions, such as the guarantee of compulsory primary education in all their constitutions by 2010! The international agenda proposed on page 119ff reverts to non-rights, idealistic language: "reduce

global inequality and marginalization" and "prevent deadly conflicts." Implementation of these goals requires the hard choices of concrete planning.

Human rights advocacy has traditionally been built on the obligations of states. The Report spreads the responsibility to nonstate actors and focuses its arguments more on measurement and indicators rather than on unfulfilled legal obligations. Even if nonstate actors have obligations, in the opinion of this author the legal obligations of states remain a key fulcrum in the system. Their obligations are diminished. Government budget decisions, for example, have a huge impact on the rights of those within its territories. Modern states also control the major public institutions needed to protect rights on a day-to-day basis. Global economic forces may limit government options, but governments are not thereby powerless, although they may lack vision and effectiveness. Certainly they need external technical and financial aid to be able to pursue the antipoverty goals outlined in the report. On the other hand, both the human rights and the human development approaches require governments to set political priorities and define and implement strategies that have a chance of working. The Report does not delineate any system of accountability, let alone for measuring the culpability of governments.

The most important contribution of the Report is to set out a frame of reference for a new generation of research and planning. The challenge now is to use this framework to delineate strategies that, by incorporating the best lessons of the two approaches, result in more beneficial political and economic outcomes. This approach seems readily applicable to countries like Ecuador, with substantial economic and human resources, but where economies are still failing. We look forward to the Report's being a major stimulus to development thinking and planning. ☐

For information on ordering the Human Development Report, *see page 162.*

The Africa Growth and Opportunity Act:

REAL PARTNERSHIP OR "OLD WINE IN NEW BOTTLES"?

by JULIUS NYANG'ORO

Will the recently enacted Africa Growth and Opportunity Act of the U.S. have significant effect on the ability of African countries to penetrate the American market? What options do Africans have to create more dynamic economies? These questions are discussed by Julius E. Nyang'oro, Chairman, African and Afro-American Studies Department, University of North Carolina, Chapel Hill.

INTRODUCTION

In the past few years, the lexicon in United States' Africa policy has moved away from sustainable development to "market-led growth." The shift has been subtle, but has had important consequences for U.S. policy towards Africa, particularly in the economic realm. The reasons for the shift are rooted in the contradictory historical link that the U.S. has had with Africa in the past four decades, especially as Africa played some role in the Cold War. At one level, the shift in the lexicon of U.S. Africa policy is actually the reality of the post-Cold War world.

In the early to mid 1990s, budget-minded members of the U.S. Congress began to question the benefits of U.S. aid programs which never seemed to make a difference in the elimination of poverty, or in ensuring political stability. Indeed "friends" of the U.S. in Africa seemed to be the most corrupt and politically unstable, with rising levels of poverty. Two countries that come to mind in this regard are Kenya under Daniel arap Moi, and

Zaire under the late dictator, Mobutu Sese Seko. Thus levels of U.S. assistance to sub-Saharan Africa (SSA), which had been falling since the end of the Cold War, had reached an all-time low by 1996. Congress had cut development assistance to Africa by 25 percent, eliminated the Development Fund for Africa, which earmarked money for grassroots development and community-based projects, and frozen U.S. funding for the Wold Bank's low-interest loan program, which provides about 50 percent of its loans to African countries (Cason 1997: 147-53). The "sustainable development" approach, partly involving more use of nongovernmental organizations (NGOs) as subcontractors for U.S. Government aid to Africa, now seems to have taken a back seat to a more aggressive market-oriented approach. Why the shift?

Some members of Congress justified a reduction in U.S. aid to Africa by pointing to the relatively limited amount of commerce between the U.S. and Africa. This argument is at the core of the politically self-centered approach of U.S. policy since the end of the Cold War. Why waste money on a region of little economic or strategic value to the U.S.? Indeed, under globalization, Africa's participation in international trade is limited. Estimates of SSA's share of global trade are consistently below 4 percent. Besides civil conflict in the subregion, widespread poverty is a drag on export production and investment possibilities, a point highlighted by a recent World Bank study (2000:7-47). Finally, the provisions under the World Trade Organization's Uruguay Round threaten to further marginalize African economies which do not already have a growing export-based economy, meaning practically the whole SSA subregion.

As the consequences of the Uruguay Round and the end of the Cold War were becoming clear, some African business people, and Americans doing business in Africa, organized a lobbying effort to convince Congress of Africa's economic importance. This effort led to the inception of the Africa Growth and Opportunity Act (AGOA) which was signed into law by President Bill Clinton on May 18, 2000 as part of the larger Trade and Development Act of 2000. The U.S. Corporate Council on Africa (CCA) immediately praised the Act in its official newsletter, *Business Link Africa:*

> *The Africa trade bill will expand trade and commercial relations between the United States and sub-Saharan Africa and lifts or relaxes U.S. input quotas of apparel manufactured in 48 sub-Saharan countries. It will put into place a viable foundation for comprehensive economic relations and a new era of cooperation with Africa. The legislation marks the first major American trade bill enacted into law in six years. CCA President Stephen Hayes referred to the congressional passage as "a momentous moment for American business in Africa"* (1-6).

It might be a momentous moment for American business in Africa, but what of its effect on African economies, and the ability of African countries to penetrate the American market?

ESSENTIALS OF THE ACT

The essentials of the Act can be found in Sec.104, dealing with eligibility requirements, which is left in the hands of the President of the United States to determine whether a country becomes a beneficiary under terms of the Act.

Sec. 104 reads as follows:

The President is authorized to designate a sub-Saharan African country as an eligible sub-Saharan African country (to receive benefits under the Act) if the President determines that the country:

(1)Has established, or is making continual progress toward establishing:

- a market-based economy that protects private property rights, incorporates an open rules-based trading system, and minimizes government interference in the economy through measures such as price controls, subsidies, and government ownership of economic assets;
- the rule of law, political pluralism, and the right to due process, a fair trial, and equal protection under the law;
- the elimination of barriers to United States trade and investment, including by:
  - the provision of national treatment and measures to create an environment conducive to domestic and foreign investment;
  - the protection of intellectual property; and
  - the resolution of bilateral trade and investment disputes;
- economic policies to reduce poverty, increase the availability of health care and educational opportunities, expand physical infrastructure, promote the development of private enterprise, and encourage the formation of capital markets through microcredit or other programs;
- a system to combat corruption and bribery, such as signing and implementing the Convention on Combating Bribery of Foreign Public Officials in International Business Transactions; and
- protection of internationally recognized worker rights, including the right of association, the right to organize and bargain collectively, a prohibition on the use of any form of forced or compulsory labor, a minimum age for the employment of children, and acceptable conditions of work with respect to minimum wages, hours of work, and occupational safety and health;

(2) Does not engage in activities that undermine United States national security or foreign policy interests; and

(3) Does not engage in gross violations of internationally recognized human rights or provide support for acts of international terrorism, and cooperates in international efforts to eliminate human rights violations and terrorist activities.

Continuing Compliance — If the President determines that an eligible sub-Saharan African country is not making continual progress in meeting the requirements described in subsection (a)(1), the President shall terminate the designation of the country made pursuant to subsection (a).

Of considerable interest to Africa, a special provision on textiles was included in the Act. Sec. 112 states:

- Preferential Treatment—Textile and apparel articles described in subsection (b) that are imported directly into the customs territory of the United States from a beneficiary sub-Saharan African country, described in section 506A(c) of the Trade Act of 1974, shall enter the United States free of duty and free of any quantitative limitations, in accordance with the provisions set forth in subsection (b), if the country has satisfied the requirements set forth in section 113.
- Products Covered— The preferential treatment described in subsection (a)shall apply only to the following textile and apparel products:
  - (1)Apparel articles assembled in beneficiary sub-Saharan African countries—Apparel articles assembled in one or more beneficiary sub-Saharan African countries from fabrics wholly formed and cut in the United States, from yarns wholly formed in the United States (including fabrics not formed from yarns, if such fabrics are classifiable under heading 5602 or 5603 of the Harmonized Tariff Schedule of the United States, and are wholly formed and cut in the United States).

The special provision on textiles was added on the assumption that textiles have occupied a special place in history in jumpstarting industrialism. Certainly this had been the case in 18th century England, for Newly Industrializing Countries (NICS) in the 1960s-1980s, and therefore should be the case for Africa in the 21st century.

ANALYSIS OF THE ACT

To supporters of the Act, AGOA is the best thing to have happened to US-African relations in a long time, although one may cynically wonder what good thing has characterized the relationship between the two sides in recent times. The U.S. has historically concentrated its trade and economic relations with Canada, Western Europe and now, countries of the Pacific Rim. Indeed, supporters of AGOA may be right in suggesting a renewal and invigorated effort on the part of the U.S. in identifying trade with Africa as the best way to push

Africa into globalization.

The problem with that argument, however, is the fact that Africa is already part of the global economy. The complaints that many Africans have about their role in the global economy is that the region is still based on the old tradi-

Supporters of the African Growth and Opportunity Act may be right in suggesting a renewal and invigorated effort on the part of the U.S. in identifying trade with Africa as the best way to push Africa into globalization.

tional dependency relationship which has characterized North-South relations for centuries (Nyang'oro, 1999). AGOA is not about to change the substance of that relationship. Indeed, arguably, AGOA seeks to replicate a set of colonial ties with African countries similar to those enjoyed by the European Union (EU) via Lome agreements. Lome itself has proved to be unsatisfactory as a mechanism for transforming Africa's economies because of its insistence on allowing preferential treatment for African primary exports in the EU which have little room for sustained value added activity (Rugumamu, 1999). AGOA also has as its central tenet, promotion of "openness" for African economies.

Reading Sec. 104 of the Act tells us who is really in charge of the relationship. It is the President of the United States who shall determine if African countries are in compliance with the provisions of the Act to allow continued benefits of access to the American market by African exporters. One may not find it useful to argue point by point the difficulties of implementing the provisions of the Act, but it is possible to make a general argument against the thrust of the Act. Sec. 104 actually reads like a combination of the *Uruguay Round* on matters such as protection of intellectual property, and *International Monetary Fund(IMF)/World Bank* conditionality which in Africa is known as *structural adjustment*.

Perhaps this is where the real issue lies: the further insistence on both political and economic reform for African countries as the price they have to pay to access the U.S. market. Indeed, in the last two decades, SSA markets have progressively become more open under structural adjustment, even though African governments have continued to complain about it. Given their weak bargaining power, however, their complaints have received little sympathy from international financial institutions. The curious question then is if indeed African economies have been progressively becoming more open, why would the U.S. embark on a major initiative such as AGOA?

The answer probably lies in the fact that the U.S., as it continues to be the

leader in global commerce, is not willing to cede any region to its competitors. Indeed, the late U.S. Commerce Secretary Ron Brown once said that the U.S. was going to aggressively attempt to penetrate African markets that previously had been the monopoly of EU via former colonial ties. This is well and good for American business, but is it equally good for African exports? At first glance one may argue that AGOA is good for Africa, otherwise why would the African Diplomatic Corps in Washington so enthusiastically support the Act through a forum known as African Growth and Opportunity Act Coalition, Inc?

Support for AGOA by the African Diplomatic Corps is a poor measure of the appropriateness of AGOA as an engine for Africa's economic growth. African embassies in Washington could not afford to be seen as being opposed to a major Congressional initiative. These embassies by now have learned the lesson that, as the sole remaining global super power, the U.S. wields tremendous influence in world affairs, and particularly in global financial institutions which African countries turn to for assistance from time to time. Their countries cannot, therefore, afford to be isolated, or seen to be less appreciative of U.S. efforts in this regard. Cynically, one may also point out that because of the tremendous economic difficulties in most countries, African governments are willing to try anything that may give them an opportunity to tap into the most vigorous market — the U.S. — however unrealistic that hope may be. Take the textile example.

Because of the tremendous economic difficulties in most countries, African governments are willing to try anything that may give them an opportunity to tap into the most vigorous market — the U.S. — however unrealistic that hope may be.

As Sec. 112 of AGOA states, there will be preferential treatment for textile and apparel articles imported into the United States from a beneficiary SSA country. The section, however, quickly proceeds to say that the preferential treatment shall apply only to

> *apparel articles assembled in one or more beneficiary sub-Saharan African countries from fabrics wholly formed and cut in the United States, and yarns wholly formed in the United States (including fabrics not formed from yarns, if such fabrics are classifiable under heading 5602 or 5603 of the Harmonized Tariff Schedule of the United States and are wholly formed and cut in the United States)*

What this provision does for African textile manufacturers is to give with one hand, and take away with the other. It is a great deal for American yarn manufacturers because it provides them with the

advantage of being the principal (if not sole) suppliers of yarn for apparel that will then get preferential treatment for importation to the United States. In order to access the American market, African producers will be well advised to use American suppliers of yarn. The substantive issues of benefits under AGOA, however, go beyond the supply of yarn.

Increased access for textiles would actually make very little difference to the overwhelming majority of African countries; indeed, AGOA itself acknowledges this point when it notes that African textile and apparel exports represent less than 1 percent of all textile and apparel exports to the United States, and in the next few years, it is unlikely to exceed 3 percent. Eighty-seven percent of the United States' textile imports from Africa in 1996 came from only four countries: Mauritius (43 percent), South Africa (20 percent), Lesotho (17 percent), and Kenya (7 percent). Of the remaining imports, 24 countries in SSA each exported textiles worth US$ 100,000 or less (ITC, 1997). Given the fact that textile exports currently constitute such a small portion of African countries' economies, it is reasonable to conclude that the presumed expanded access via AGOA is trivial. The same is likely to be true for other African manufacturing exports.

Trade statistics for 1998 indicate that Africa's exports to the U.S. are primarily composed of raw materials such as oil products and minerals, and some agricultural products. Crude petroleum accounted for 58 percent of all imports, followed by platinum at 8 percent, petroleum oils at 3 percent, and cocoa beans at 3 percent. Moreover, 85 percent of all imports from SSA came from only five countries: Nigeria, 32 percent; Angola, 17 percent; Gabon, 10 percent; and Cote d'Ivoire, 3 percent — again, reflecting the predominance of crude petroleum in the composition of exports (Dagne and Sek, 1999:3-4). The rest of the subregion conducts very little trade with the U.S. While admittedly the general absence of trade between the U.S. and SSA is one of the ills AGOA seeks to address, it is a tremendous leap to suggest that the possible marginal increase in textile exports will amount to a significant economic benefit for SSA.

POLICY IMPLICATIONS FOR AFRICA

The analysis of AGOA so far suggests that there is little direct benefit to be gained by African countries as a result of the Act being adopted as the centerpiece of American economic policy towards SSA. It is quite clear that AGOA reiterates economic conditionality as an underlying principal of the relationship between the United States and Africa. The same conditionalities are also the centerpiece of IMF/World Bank relationship with Africa. Critics of conditionality abound (ROAPE, 1994; 1995), but perhaps it is more important to concretely look at SSA's political economy in order to better appreciate the impossibility of AGOA making any appreciable impact on Africa's development.

While it is true that many of the policies pursued by African governments in the 1970s and 1980s led to the economic crisis that continues to affect SSA, it is also true that conditions associated with, and reflective of, historical underdevelopment still play a key role in the economic difficulties in which SSA countries find themselves. It should be recalled that countries such as Tanzania and Mozambique got into economic trouble in the 1970s because they had made concrete policy choices in social investment, education, health care, etc. The reason for these choices was that the governments in question saw social investment as a way of overcoming underdevelopment. Unfortunately, the global economy, but particularly the rise in oil prices and the related increase in the price of industrial goods created the economic havoc that required IMF/World Bank intervention. In some cases, such as Zaire, it is true that African leaders were simply incompetent and corrupt, thus allowing their countries to suffer economically. All these realities have to be acknowledged; as indeed the reality that despite two decades of adjustment, SSA economies are yet to see serious improvement (Callaghy and Ravenhill, 1993; ROAPE, 1994; 1995).

What we are left with therefore, is a difficult situation, where the range of options open to African countries is fairly limited. One could envisage two principal scenarios which would be played out on the basis of choices made by African governments regarding both AGOA, and by extension IMF/World Bank conditionality. Scenario one would be that African countries would refuse U.S. overtures under AGOA and call it what it really is: a reiteration of economic and political conditionality, and refuse to take it. This choice would elicit a fairly negative reaction by the U.S. and result in the economic and political isolation of African countries, clearly an undesirable situation. So in many ways this was not going to be a choice to be taken by African countries.

Unless there is a real concerted effort by African governments to transform both the economic and political relationships within their own boundaries, the global marginalization which they consistently complain about will continue.

The second scenario is what actually happened. African countries accepted AGOA and pretended that it would result in tremendous benefit to them. If AGOA is going to be Africa friendly, arguably IMF/World Bank conditionality is also Africa friendly. The point is that AGOA is going to affect US-Africa trade relations only marginally. African countries hailed AGOA as a new phase in U.S.-African relations because it was politically expedient to do so, but in real-

ity the answer to Africa's economic transformation lies with what happens on the African continent itself. Unless there is a real concerted effort by African government to transform both the economic and political relationships within their own boundaries, the global marginalization which they consistently complain about will continue.

That is why the choices open to Africa include one more option: to pursue a predominantly continent (homegrown) strategy which would take into account the global reality, but also let loose the dynamism which has been shown by the much maligned "informal" economy. In other words, there is a need to go back and ask fundamental questions about development, and to identify what the key agents of development would be. In the 1970s, when such issues were raised, the automatic response, particularly of the left, was that socialism was the answer. This of course accounted for the high rate of receptivity of socialist ideology in the continent during this period (Babu, 1981). There was also talk of "autonomous" development, although this thesis always remained half-baked and incomplete. Thus, even as the economies of Africa continued to falter in the 1980s, there was no clear statement of a local, African strategy for economic development.

Globalization in some way may actually provide an opportunity for Africa to pursue an economic development strategy that may prove more dynamic than earlier models. It is true that little has accrued to Africa under globalization, but globalization as a process has created "hierarchies" of production, and has produced regionalism as a structural reality in production. Thus, the discourse on globalism is also heavily punctuated by a discussion of the "Pacific Rim", "European Union", "NAFTA", etc. This is discourse on regionalism. The implications are that each region comes to the global table having set its house in order. Otherwise, you will be swept by forces that are beyond your control. If then, the logic is that of regionalism, African countries need to get out of their complacency and aggressively pursue policies to make the African region dynamic economically. There must be genuine regional integration efforts to allow for diversification in production. Tariff and nontariff barriers to economic interaction on the continent must give way to integration driven by African genius. The analogy of the African informal economy is appropriate here because in essence the informal economy has been a primary mechanism of commodity exchange on the continent for a long time. Had it not been for this type of economy, many countries would have collapsed under the weight of economic decline in the 1980s.

What this option recognizes therefore, is that while it is important for African countries to recognize the thrust of globalization, regionalism is still the sure way of incrementally becoming a recognized player in the global economy.

The failure of the African Economic Community to take off as foreseen in the Abuja Declaration says more about the incompetence of African leadership than it does about the idea itself. At issue here is what African countries can do to ensure that a genuinely African strategy of development takes center stage in the development discourse. One of the best ways to approach this question is to go back to the twin issues of political and economic integration. Political integration at this stage does not have to mean abandoning of age-old sovereignty that all of these states so jealously guard, but rather that they have a common purpose in pursuing development. Unity of purpose would help, for example, when African countries negotiate with international financial institutions on issues of conditionality. It would be inherently difficult for the World Bank to run roughshod on fifty countries in terms of conditionality, but it now is fairly easy because the Bank deals with each African country on an individual basis.

Regionalism is still the sure way of incrementally becoming a recognized player in the global economy.

A common purpose in political terms would have a positive effect in economic terms. Many of the subregional economic arrangements in SSA have failed to take off because they have been overshadowed and/or hampered by political difficulties. A case in point is the Economic Community of West African States (ECOWAS), established with much fanfare in the early 1970s, on the promise that the West African region was ripe for economic integration and that ECOWAS would be the vehicle for this. Right after its establishment, however, ECOWAS began suffering from the "Francophone/Anglophone" divide, the "Nigeria versus the rest" problem, and a host of other issues. The point here is that ECOWAS was really not politically ready to take off. Countries in the region were still steeped in old colonial thinking and could not in any way support, let alone even think about, a new and more dynamic arrangement.

While ECOWAS was being established, the East African Community (EAC) was disintegrating. Again, the cause was political differences which could not be resolved in order to enhance and revamp a Community which had existed in one form or another since 1948. The way the EAC broke up illustrates the fundamental problems in regional integration on the continent. Ten years afterward, in 1977, EAC member countries were still negotiating through the World Bank on the division of the Community's assets — a clear indication that, at its core, the Community was not really East African. At present, a revived Community is in the works, but it is unclear whether the original problems, including how to think about how the

economic benefits of the Community would accrue to individual countries, have been resolved.

All these issues lead to one inevitable conclusion. If, indeed, we acknowledge that regionalism is an important way of envisioning an economic development strategy, then the region must establish a viable instrument solely responsible for identifying critical areas of investment on a continental basis. The continental approach is absolutely necessary and the only logical outcome of realities on the continent, given that individual economies are, for all intents and purposes, not viable. The question thus becomes, why have African countries not aggressively pursued a continental strategy? The answer lies in the mentality of the leadership, always so narrow that it reflects only parochial interests which may not even be national. The big question is whether the Organization of African Unity (OAU) could serve as a basis for new regional institutionalism in the continent. The answer is probably "no" at this point because of the general incompetence of the OAU. The continent must envisage a totally different mechanism which must begin by in essence undermining "national" economies and projecting development largely in a continental framework. ⊞

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The New Partnership Agreement between ACP and EU: UNRESOLVED ISSUES

by SEVERINE M. RUGUMAMU

Cooperation between the European Union and 70 African, Caribbean and Pacific countries is entering a new stage marked by some improved policies and procedures but also by a number of unanswered, hard questions. They are raised by Severine M. Rugumamu, Professor of Development Studies and Director of the University Consultancy Bureau of the University of Dar es Salaam, United Republic of Tanzania, and author of Lethal Aid: The Illusion of Socialism and Self-Reliance in Tanzania.

INTRODUCTION

After almost two years of intense and at times acrimonious debates and negotiations, the European Union (EU) and the African, Caribbean and Pacific (ACP) countries concluded and signed a new "Partnership Agreement" for develcpment cooperation in June 2000. This event, in the city of Cotonou, Benin, marked the formal end of the Lomé Convention and the beginning of a gradual yet possibly trying process toward trade liberalization.

The Agreement is based essentially on five interdependent pillars: a comprehensive political dimension, the pro-

motion of participatory approaches, a strengthened focus on poverty reduction, a new framework for economic and trade cooperation, and the reform of financial cooperation. Following on the previous four Lomé Conventions, the new Agreement will run for twenty years with possible revision every five years and a financial protocol for each five-year period. Almost invariably, both parties found a common ground on contentious negotiating issues such as good governance, transition modalities towards WTO-compatible trade regimes, the mainstreaming of gender, environmental and institutional capacity considerations, the extension of partnership to decentralized actors, and the introduction of performance-based aid allocation.

However, at the heart of ACP-EU relationships are the inordinate power inequalities between the EU and ACP states. EU is a community of advanced industrial economies and democratic polities. ACP is a collection of predominantly weak and dependent economies with fragile societies. The asymmetrical power balance between these two parties springs structurally from the aggregate economic, political, military, and organizational resources of the EU and the overall weaknesses of ACP states, individually and collectively. As would be expected, this unequal power distribution determines not only the broader structural parameters of their relations, but also significantly moulds the psychological climate that surrounds them. The EU's inherently superior economic and institutional resources were abundantly reflected in its overwhelming ability to set the tone for the negotiation agenda, as well as to define broad parameters of cooperation that were perceived as preferable from its point of view. Little wonder, then that, in the final analysis, the EU succeeded in incorporating most of the contentious provisions that were earlier proposed in its Green Paper (EU, 1996).

The new Agreement states that the ACP-EU partnership will largely focus on reducing and eventually eradicating poverty in a way that is consistent with the objectives of sustainable development, and on gradually integrating ACP economies into the world economy. This welcome refinement of the cooperation agenda is quite in line with other recent UN development priorities and commitments. In that case, to what extent does the new Agreement mark a break with the past development cooperation nightmares? Are the proposed innovations likely to enhance the capacity of ACP countries to cope adequately with the challenges of globalization? Does the new Agreement seek to transform the growing exclusion and marginalization of ACP economies and peoples into hope and opportunity? What sorts of internal restructuring are needed to empower ACP economies and societies to take advantage of the current and future changes within the EU? Does the new Agreement provide adequate safety nets to shield the poor countries from the

uncertainties of globalization and liberalization? Some answers to these questions can be found by examining the new provisions and procedures in the Agreement and the number of issues which have been left unclear or unresolved.

INSTITUTIONAL FRAMEWORK AND OBJECTIVES

Unlike the previous Lomé Conventions, the Agreement is flexible and can be amended regularly. Its two parts are a broad Framework Agreement and a Compendium of Reference Texts. The Framework Agreement provides the broad guidelines for ACP-EU cooperation over a minimum of the next five years. The policy orientations and operational guidelines in specific areas of cooperation are separately developed and incorporated into a Compendium of Reference Texts. The Joint Council of Ministers may revise the texts annually if required.

Viewed retrospectively, a flexible agreement is often a double-edged sword. On the one hand, the Agreement could provide a valuable opportunity for both parties to regularly review and update the texts as and when the need arises. Obviously, such an innovation is welcome, particularly as the new agreement promotes political dialogue as well as conflict prevention and resolution. On the other hand, in an asymmetrical power relationship, the flexible agreement opens up possibilities for reinterpretation by the dominant party to suit its own needs and convenience. To fully exploit the flexibility of the new Agreement, it would be advisable to provide copies of it to as many concerned parties as possible. Above all, non-state actors are expected to participate in spirited and enlightened ways, and that is likely to militate against blatant abuses of power by the stronger party.

The Agreement states that the partnership will be "centered on the objective of reducing and eventually eradicating poverty consistent with the objectives of sustainable development and the gradual integration of the ACP countries into the world economy." This core objective ostensibly reflects current international commitments, including the conclusions of the UN conferences in the 1990s, the international development targets, and in particular DAC's *Shaping the 21st Century Strategy* (OECD, 1996). For this objective to be achievable, follow-up reviews and negotiations should identify strategies that define unambiguously how to achieve the agreement's policies and programs at national and regional levels. Also, parties to the agreement will need to assess it regularly in order to make informed and appropriate remedies.

The Agreement calls for promoting broader participatory approaches in development cooperation, involving civil society, the private sector, and economic and social actors in the ACP-EU partnership. To this end, the agreement provides for close consultation with civil society by both the Joint Council of

Ministers and the Joint Parliamentary Assembly. Beyond emphasizing the value of consultation and information sharing, this civil society role in the two bodies needs to be clearly defined and operationalized in their rules of procedure during the ACP-EU follow-up reviews and negotiations. It should be noted that, in the previous Lomé Conventions, the principles of participation, partnership, and ownership were blatantly abused. Unless due vigilance on both sides is stepped up, the inevitable imbalance that characterizes this relationship is likely to reduce these otherwise noble principles into empty slogans.

Equally significant, at the national and regional levels, it will be absolutely necessary to clarify the role of the civil society in the entire cooperation process, from the setting of development objectives, targets, and implementation procedures of the National Indicative Programs to the evaluation of their outcomes. To ensure effective participation of civil society in the management of cooperation, the texts should explicitly define the criteria and procedures for identifying and selecting non-state actors at national and regional levels. Finally, adequate resources should be budgeted to build the participatory capacities of the civil society.

The new Agreement identifies a wide range of issues for dialogue outside of traditional development cooperation to foster mutual understanding and the establishment of agreed priorities. The issues include the arms trade; excessive military expenditure; drugs and organized crime; ethnic, racial and religious discrimination; respect for human rights; democracy, the rule of law and good governance. However, it fails to provide institutional mechanisms to deal with this broader agenda. Obviously, it is not adequate to state that the dialogue will be conducted within and outside the institutional framework without specifying relevant institutions, actors, resources, and schedules. Future reviews and negotiations should seek to define the institutional framework and relevant actors for this political dialogue.

TRADE ARRANGEMENTS

Trade is widely perceived as an important engine of economic growth, which can, in turn, play a dynamic role in poverty reduction. Unfortunately some of the rules that govern international trade are geared towards the corporate and political interests of the powerful actors in the global economy, resulting in a highly unequal distribution of the benefits of world trade.

This observation has been abundantly demonstrated by the impact of trade relations between the EU and ACP states over the last twenty-five years. While trade preferences contributed to the limited commercial success of few countries, the global results were disappointing. The share of ACP countries in the EU market declined from 6.7 percent in 1976 to 3 percent in 1998. About

60 percent of total exports are still concentrated in only 10 primary commodities. At the same time, only a negligible degree of economic diversification occurred in a few ACP economies. In the previous four conventions, the objectives of enhancing processing, marketing, distribution and transport were considered fundamental goals of cooperation, but very little progress was made. In fact, only 7 percent of ACP commodities were processed before export, and less than 5 percent were ready for marketing and distribution (McQueen, 1998; Wolf, 1999; Rugumamu, 1999).

Given this grim scenario, various trade arrangements have been proposed in the new Agreement. The 39 least developed countries (LDCs) of ACP which make up more than half of the entire group, are guaranteed free access to the EU market for "essentially all" products by the year 2005, at the latest. The 31 non-LDCs — which include all 15 Caribbean members, except Haiti — are expected to negotiate WTO-compatible economic partnership agreements (EPAs) with the EU. However, countries that decide not to sign EPAs with the EU are likely to be transferred to the EU's Generalized System of Preferences (GSP). The main principle of the future trade cooperation is that it will build on the regional integration initiatives of the ACP states. The Agreement seeks to replace nonreciprocal preferential trade arrangements with regional agreements that work in favor of WTO-compatible free trade.

Moreover, parties to the new Agreement have agreed to a preparatory period of eight years before moving to WTO-compatible trade arrangements. Formal negotiations will start in September of 2002, and agreements will enter into force by January of 2008 unless both parties set earlier dates. The eight-year period is supposed to be used to prepare ACP states for these trade agreements, including appropriate budgetary adjustment, fiscal reforms and investment promotion. In 2004, the EC will assess ACP countries' readiness in relation to these agreements. If, after consultation, these countries decide they are not in position to enter economic partnership agreements, the EC will examine alternative arrangements to provide new trade arrangements equivalent to their existing situation, but in conformity with the WTO rules. The picture beyond 2008 is, to say the least, unclear, with a likely result of some ACP countries keeping Lomé, some negotiating individual EPAs, and others negotiating to obtain yet another, unknown arrangement.

EU-sponsored studies concluded that, unless the EU and ACP adopt comprehensive policies that seek to structure the composition of production and trade, as well as to enhance productivity among ACP countries, the new Agreement is likely to reproduce the sorry results of the four previous Lomé Conventions. The proposed EPA trade arrangements have been considered unviable on several grounds. First, the

proposed economic integration is not likely to create trade, lead to greater efficiency, improve competition in ACP countries, stimulate investment, or lock-in trade and policy reforms. It is unrealistic, for example, to argue that the liberalization of ACP economies will lead to competition against products from the EU, to efficiency and to greater investment. In fact, imprudent liberalization is likely to have negative effects on government revenues and balance of payments and also to promote de-industrialization and massive unemployment.

The new Agreement is likely to produce sorry results unless the EU and ACP adopt comprehensive policies for restructuring production and trade and enhancing productivity among ACP countries.

These observations are supported by a recent study by Gottfried Wellmer (1999) on the possible EPA agreement between SADC countries and the EU. The study shows short- and medium-term disadvantages will far outweigh advantages. The projected impact includes loss of customs revenue for all SADC countries — for example, 30 percent for the United Republic of Tanzania; 23 percent for Mozambique; and 70 percent for Seychelles. In industrial development, SADC countries will be threatened by cheaper imports from the EU and by a loss of EU market share through competition with other trading partners. In addition, there are serious concerns that such an arrangement with the EU will undermine SADC's own moves, now behind schedule, to establish a regional free trade area. The studies concluded that, unless the structural development problems in ACP countries are brought to center stage (such as poor infrastructure, weak institutions, inadequate capacity, debt crisis, and governance), neither free trade nor unfair trade will automatically lead to an influx of investment.

Furthermore, the new Agreement states EU's intention to improve current market access for ACP countries by allowing duty-free access of "essentially all products." This move is, arguably, a welcome one. It aims to remove both tariff and nontariff barriers on commodities previously perceived as sensitive. It intends to stop the dumping of subsidized agricultural surpluses on ACP markets.

However, to achieve these objectives, and before ACP countries can seriously embark on trade negotiation, a number of important policy changes should be made in the EU. For example, the EU's protective Rules of Origin have particularly undermined ACP's prospects for industrialization, since most processed and manufactured goods from ACP countries have failed to meet the EU's threshold. The Safeguard Clauses cause considerable uncertainty in ACP-EU

trade and investment relationships; no potential investor in ACP countries can be certain that future production for export will have access to the EU market if there is a possibility that such exports might adversely affect European interests. Changes would also be essential in the EU's Common Agricultural Policy and in the Multi-Fibre Agreement. If these policies could be changed, the development implications are likely to be phenomenal.

On the question of technology, the new Agreement leaves a lot to be desired. As knowledge becomes much more important in the modern economy, the "knowledge gap" between EU and ACP countries is likely to grow even faster. The WTO agreement on intellectual property rights significantly increases the length and scope of patent protection for many corporations and countries. Its rules grant corporations a 20-year monopoly on knowledge, far beyond the useful life of most new technologies, thus creating unfair barriers to new competitors from poor countries. The WTO protocols relating to "trade-related investment measures" (TRIMs) and "trade-related intellectual property rights" (TRIPS) severely circumscribe the sovereign rights of states. Under the new trade regime, ACP will no longer regulate activities of transnational corporations in order to foster perceived development needs. The TRIMS protocol, for example, ties the hands of developing countries from requiring foreign investors to abide by specific content requirements, domestic sales limits, trade-balancing tests, or remittance and exchange restrictions (WTO, 1996).

EU intends to allow duty-free access of "essentially all products" of least developed ACP countries, but achieving this also requires a numberof important changes in EU trade policy.

The above array of international regulations is likely to eliminate the prospects of copy-technology (reverse engineering) and force potential users of foreign technology into prohibitively expensive licensing agreements and royalty payments. Above all, tight intellectual property rights will raise the cost of technology transfers to ACP countries and will risk blocking innovations in these countries. In turn, this will undermine ACP's capacity to compete in an increasingly knowledge-based global economy. The tighter control of innovation in the hands of corporations will invariably place corporate interests over the wider development interests of poor people and thus will accentuate the unequal patterns of globalization.

Under the new Agreement, both parties agree to implement measures for protecting patented products, including

those owned by corporations in the EU that effectively patent plant and animal extracts. In contrast to the provisions of TRIPs, the references to protecting biodiversity are general in nature and are less clear on how they will be implemented. This is rather unfortunate. In these circumstances, in the follow-up reviews and negotiations, ACP-EU negotiations should categorically state how biodiversity will be protected, and should offer the commitment to give such protection a priority over commercial interests. More important, future negotiations should explore flexible measures for supporting ACP's rights to license the production of medicines. In the same vein, they should push for reforms of the TRIPS agreements to reduce the length and scope of patent protection and to create patent-free zones in least developed countries. Measures such as parallel imports, compulsory licensing, and price controls should be promoted in order to ensure that the poor people have access to essential medicines.

INVESTMENT SUPPORT

The new Agreement identifies support of investment and private sector development as one of its development strategies. The investment provisions are far more extensive than in the previous Lomé Convention — a welcome development. Foreign direct investment is potentially the most valuable source of private capital transfer. At its best, it can be used to provide long-term finance, transfer skills, build linkages with the local economy, and promote export expansion.

However, the Agreement does not specifically point out the relation between the quality of investment and poverty reduction. Instead, conventional assumptions have been made about simply the quantity of investment. Any guidance for corporate practice is left to voluntary codes of conduct. However, the deeper argument is that corporate behavior is too important a factor for the issue of poverty reduction to be left to voluntary codes and standards defined by the corporate sector itself (Jalee, 1970).

It bears remembering that, left unregulated, transnational enterprises can exploit unfair labor practices, evade taxes and produce high profits without offering benefits to the local economy. The EU and ACP should agree on binding standards for transnational corporations, to which the Agreement's provisions on investment are applied. These standards could be similar to those proposed by the European Parliament in

Regional integration arrangements are likely to be fragmented rather than strengthened because 31 of the ACP countries are expected to negotiate individual economic partnership agreements with the EU.

January of 1999 for European enterprises active in developing countries.

Above all, the Agreement does not advance mechanisms that allow ACP states to control the flow of portfolio capital. The absence of such a mechanism contributed to the recent financial crisis in South East Asia. An international tax on speculative capital transfer would allow the ACP states to avoid such instability that results from capital attraction.

REGIONAL INTEGRATION

Another equally problematic objective of the new agreement is regional integration. In our view, the proposed EPAs are likely, in many different ways, to fragment rather than strengthen integration arrangements in the ACP countries.

As discussed above, the new agreement offers LDCs Lomé-equivalent preferences. As a result, these countries will have no compelling reason to take part in the EPA arrangements with Europe. In this sense, an integration arrangement that excludes a significant number of ACP countries cannot be considered a good solution for the integration process in any region.

Second, the arbitrary way in which the EU has proposed the prospective regional groupings does not conform to the existing reality in most ACP groupings. In the African context, for example, it would be prudent for the EU to support the existing subregional integration schemes which have political support at the national and regional levels.

Third, the levels of institutional capacity that exist in most ACP subregions do not suggest that these regions are either on course to negotiate effectively or embark on free trade EPAs with the EU by 2008. In this regard, EU and ACP partners should consider a much longer transitional period than is currently permitted under the WTO rules. A longer transition period would provide ACP countries with adequate time to consolidate economic reforms in their respective countries and regions. It would, additionally, help them build the requisite negotiating capacities with the EU and WTO.

DEBT RELIEF AND AID

For almost three decades, unsustainable debt has been allowed to undermine the development efforts in many of the poorest ACP countries. Government revenue has been diverted away from essential investments areas such as health and education in order to repay foreign creditors, and excessive debt stocks have deterred investors.

At its most effective, aid and debt relief can help to provide the foundations for more self-reliant and equitable economic growth. Unfortunately, what currently passes for aid and debt relief is not effective aid. Much too often, donor priorities are driven by strategic considerations and commercial self-interest rather than by a concern for poverty reduction. The new Agreement takes a higher moral ground. It states that, on a case-by-

case basis, uncommitted resources from past indicative programs will be used for debt relief. In addition, some resources provided in the 9th replenishment of the European Development Fund (EDF) would contribute towards debt relief initiatives in the ACP, initiatives that have been approved at the international level. Provision is also made for technical assistance to ACP countries on debt management and on the use of available foreign currency, as provided by the agreement for servicing European Investment Bank debts on a case-by-case basis.

EU's decision to contribute a substantial amount of money to ACP debt incurred outside the ACP-EU framework is a welcome shift in approach. The agreement does not acknowledge the fact that neither the goals of the ACP-EU partnership nor its international development targets will be achieved without ACP-EU co-operation on the debt reduction initiatives in other forums. Incidentally, the recent record of the enhanced initiative for heavily indebted poor countries (HIPCs) under the IMF and World Bank is not particularly impressive. It has failed to raise sufficient resources to address this pervasive development problem. The Debt Relief Trust Fund had obtained only $2.4 billion in pledges and paid-in contributions from bilateral donors by mid-2000. Most eligible HIPCs have not benefited from the initiative, in part because they have frequently failed to meet the IMF stabilization program targets, and, in part because some of them have been embroiled in civil war. Not surprisingly, as of July of 2000, only 9 out of 41 eligible countries had qualified for debt reduction under the enhanced HIPC initiative. Worse still, though leaders at the G7 Summit in Cologne in July 1997 pledged to cancel $100 billion of HIPCs' debt as quickly as possible, three years later only about $12 billion had been cancelled.

Given its central position in the world economy, it is important that the EU play a more critical role in influencing the pace and direction of initiatives on debt relief and poverty reduction by the Bretton Woods institutions. First, the EU should immediately mobilize its laggard members who have not cancelled 100 percent of their bilateral debt. It should also ensure that the cash-strapped fund for HIPCs' debt relief fund is fully funded, closing the huge gap between needed resources and what has been mobilized. In addition, the EU may reconsider the cumbersome procedures of the poverty reduction strategy, which is currently bogged down by IMF conditionalities. In this direction, the EU

Given its central position in the world economy, the EU should do more to influence the pace and direction of international initiatives on debt relief and poverty reduction.

should spearhead efforts aimed at linking the new Agreement's implementation with the UN Social Summit Declaration and Plan of Action, in order to ensure that ACP countries are not faced with more uncoordinated and incoherent demands from the donor community. Finally, in order to ensure effective debt relief and the realization of development targets, the EU may also consider pushing for the cancellation of all unpayable debts incurred by ACP countries. The arguments for debt cancellation are disarmingly straightforward: debt repayment for poor countries is economically exhausting as it continues to block future development; repayment is politically destabilizing as it threatens social harmony; and it is ethically unacceptable as it hurts the poorest of the poor.

FINANCIAL COOPERATION AND INSTRUMENTS

The overall amount of EU financial assistance for the first five years of the Agreement is 15.2 billion Euros. This will comprise 13.5 billion Euros for the European Development Fund facility (EDF), and 1.7 billion Euros from the European Investment Bank (EIB) in the form of loans for the purpose of economic and industrial development of the ACP states on a national and regional basis. Of the EDF funds, 10 billion are reserved to support long-term development. This amount will be used, among other things, to finance the National Indicative Programs. Another 2.2 billion Euros of the EDF will be allocated to finance the Investment Facility according to specific terms and conditions, with the remaining 1.3 billion Euros allotted to regional cooperation programs.

Considering inflation alone, it has been calculated that the aid volume of the new Agreement is 3 percent less in real terms than the 8th EDF (Wolf and Spoden, 2000). Sadly enough, the new Agreement budget fits neatly in the overall pattern of aid budget cuts among OECD countries. It is not likely to be adequate for implementing the international commitments made by the EU and ACP states. This precarious situation is likely to be compounded by more countries (East Timor and Cuba) joining the ACP group. During subsequent phases of the Agreement, the EU should be urged to fulfill its international commitments, including a minimum allocation of 0.7 percent of its GNP to Official Development Assistance and especially to ACP countries, in accordance with the UN Conference Resolution to reduce poverty by 50 percent and the 20-20 compact adopted at the Copenhagen Social Summit.

The new Agreement has introduced significant changes to programming and resource allocation. One positive change in comparison with the previous Lomé Convention is that ACP states, in drafting Indicative Programs, are now supposed to identify, work with and program resources for eligible non-state actors. However, the new system provides the EU with more discretionary powers in

allocating resources based on both needs and performance. Country needs will be assessed according to criteria relating to per capita income, population size, social indicators, the level of indebtedness, export earnings, losses and dependence on export earnings, in particular losses from the sectors of agriculture and mining, with more favorable treatment for the least developed, landlocked and island countries. Unfortunately, it is not clear how these different criteria will be weighted and calculated.

Performance criteria in the Agreement also seem vague and open to interpretation. Assessments will be made of progress in implementing institutional reforms, performance in the use of resources, effective implementation of current operations, poverty reduction, sustainable development measures and macroeconomic and sectoral policy performance.

Allocated resources will have two elements: an allocation to cover macroeconomic support, sectoral policies, programs and projects; and an allocation to cover unforeseen needs such as emergency assistance, contributions to internationally agreed upon debt-relief initiatives, and support to stabilize export earnings. Following mid-term and end-term reviews the EU may revise resource allocation to ACP states according to their needs and performance.

The above ambiguities could be addressed in various ways. The EU and ACP negotiators should revisit the criteria for calculating resource allocation for the National Indicative Programs. The revised criteria should be transparent and objective, and should demonstrate their relationship to poverty alleviation. The ACP-EU Joint Parliamentary Assembly should be informed and consulted on the criteria on which allocations are based (Eurostep, 2000).

In subsequent negotiations, the ACP and EU should jointly agree to more precise and objective performance criteria that, as much as possible, should be country-specific and tailored to the conditions prevailing in ACP countries. Performance criteria should include an assessment of public finance that goes beyond a simple analysis of the budget. It should include: legislation of budget preparation, expenditure, and reporting and the quality of the procedures for these steps; the quality of budgetary control at governmental and national parliamentary levels; and the audit and analysis of realized expenditures.

To streamline administrative efficiency and accelerate procedures, managerial, operational and financial responsibilities should be more decentralized to the EU delegations. The Compendium should provide for a gradual transfer of decision-making to the EU delegations (Eurostep, 2000).

CONCLUSION

On the whole, the greement is a great improvement on the previous Lomé Conventions. Its flexibility and the opportunity for non-state actors to participate in

the management of development co-operation are great steps in the right direction. It is hoped that, through political dialogue and conflict prevention and management, the Agreement can spearhead economic growth and social development in the coming years. Above all, the fact that the new agreement has been closely tied to other international development commitments is more reason why one can expect coordinated global efforts toward poverty reduction and sustainable development. ☒

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Supply-side Industrial Strategy: The Case of Bosnia and Herzegovina

by **DRAGOLJUB STOJANOV**

Bosnia and Herzegovina is undergoing both transition from socialism and reconstruction from war, but development has barely restarted after five years of "demand management" policies prescribed by IMF and World Bank. According to Dr. Dragoljub Stojanov, Economics Professor at the University of Sarajevo, a better policy would be "supply-side economics" based on increased productivity and competitiveness. The author was a government minister in 1996-97 and led a team which designed a strategy for national economic development as an alternative to the the standard IMF/World Bank approach.

BOSNIA AND HERZEGOVINA is in the process of transforming from a nonmarket, previously self-managed economy to a modern market economy. The transition package being implemented is based on the "rules of the game" of the Washington consensus. At the international level, the IMF, the World Bank and US AID have so far led the transition.

When the transition began, there was the promise and expectation of a "blooming landscape." Four years later, it seems more like a mirage. Economic development has hardly started. Gross

domestic product was valued at DM 6.9 billion in 1998, as against DM 13 billion in 1991. In the meantime, international donors have provided significant aid totaling $US 5.1 billion, less than half of which has been disbursed and implemented since 1995.

It has finally become obvious that an alternative solution is needed for economic development in the country. This article dares to propose a solution based on supply-side economics and neo-Keynesian concepts. We share the opinion of professor Pitelis that increases in productivity and competitiveness are the key to the transition from formerly socialist economies in Eastern Europe. In the medium term there is no other way. Macroeconomic policy can only contribute in the short run. This emphasizes the importance of supply-side industrial policies for productivity, competitiveness and convergence[1], the element which has been missing from the package of "Washington consensus".

THE ECONOMY BEFORE 1991

The territory of Bosnia and Herzegovina is about one-fourth larger than Switzerland and nearly as mountainous. Four-fifths of the land is mountainous, and about 60 per cent is higher than 500 meters/1,640 feet above sea level. Some 45 per cent of the territory is forested. Only a small fraction of the agricultural land is of high quality and suitable for modern agricultural technologies. The climate is continental Mediterranean and most suited for the production of cereals. The two main rivers have considerable hydroelectric power potential.

Between the Second World War and 1991, when Bosnia and Herzegovina was one of six republics of the former Yugoslavia, it achieved significant economic transformation. Economic growth averaged 5 per cent a year. In 1991 per capita income was $US 2,400, excluding the service sector, as was the practice in former socialist economies.

As the former Yugoslavia was dissolving in 1991 and 1992, Slovenia and Croatia declared their independence, and Bosnia followed. In April 1992 war began in Bosnia. In the same month the European Union and the United States recognized Bosnia as an independent state, and a month later it became a member of the United Nations.

Twelve big companies produce 35 per cent of the gross domestic product (GDP), and four of them generate more than 40 per cent of total exports. Companies have been organized as self-managed companies of associated labor, in accordance with the principle of a self-managed market economy, which was halfway between a centrally planned and a modern market economy.

In 1990-1991, Bosnia's main foreign trade partners were the former USSR, Germany and Italy. Its trade with the EEC counntries was in a surplus in 1991. Main exporting sectors were chemicals, ferrous metallurgy, metal processing, leather shoes, electrical appliances, fin-

ished wood, timber and panels, and finished textiles.[2]

THE ECONOMY SINCE THE WAR

Before the war Bosnia had almost 4.4 million habitants. The estimated population now inhabiting the territory is 3.6 million. By the end of the war, in December 1995, and in its aftermath, 1.5 million people fled the country as refugees. Some 600,000 still live in temporary locations outside the country, while an estimated 700,000+ are registered residents abroad. Other refugees have returned, often involuntarily. Most have gone to places dominated by their own ethnic groups and not to their former domiciles. During and after the war, some highly qualified people arranged their own emigration, often not counting as refugees at all.

Inside the country, the war displaced large numbers of people from their homes. Their number peaked at 1.3 million in 1995, and was reduced to 800,000 by the end of 1998. On average, they suffered more than those who could flee the country.

In 1998 about 60 per cent of the population was in poverty, defined as income permitting a family of four to purchase less than two-thirds of a defined consumer basket of basic needs. In the Federation, about a quarter of the people in poverty were employed. Average net salaries in the business sector could buy only about 68 per cent of the consumer basket, and about 87 per cent in non-business jobs. Only employees in financial institutions and public administration earned enough to be at or just above the poverty line. Both the pension and the unemployment compensation systems are in deficit, and paying too late and below the minimums.

Average daily income for impoverished persons is so low that they survive on financial support from relatives in the country, relatives and friends living abroad, international humanitarian assistance and activities in the shadow or informal economy.

Official statistics record quite impressive GDP growth rates: 21 per cent in 1995, 69 per cent in 1996, 30 per cent in 1997, and 18 per cent in 1998. But GDP had fallen to such a low level during the war that the increases achieved since are proportionately high as percentages of a small base. The country produces much less than before the war. Many prewar production capacities have not been repaired or replaced, or are little utilized. Employment is correspondingly low.

Recent GDP growth is predominantly aid-driven, as reflected in the balance of payments. The current account deficit in 1996 amounted to almost half the nominal GDP, declining to about one-fifth in the first half of 1999 in the Federation. Only about 25 per cent of imports were met by exports in the first five months of 1999 in both the Federation and the Republic.

When considering the development strategy and its effects so far, one has to take into consideration relevant exter-

nal and internal factors both economic and political.

Two external factors have a determining influence. The first is the process of globalization of the world economy, and the "Washington consensus", which provides the basis for treating transition countries and their transformation into "small open economies." The other is the 1995 Dayton Peace Accord.

Signed on December 14, 1995 in Paris, the Accord ended military hostilities on the territory of Bosnia and Herzegovina and fixed its external borders. The Bosnian, Croat and Serb sides agreed on an independent state, with Sarajevo as its capital. NATO forces were to implement the Peace Agreement for a limited period, followed by the international bodies (OSCE, OHR and UN). The Accord outlines the constitution of the state, which provides for full freedom of movement of persons, goods, services and capital.[3]

Two internal entities were established — the Federation, with 51 per cent, and Republic Srpska (RS), with 49 per cent of the territory. The Federation has 10 cantons.

While the Accord placed banking and customs regulations at the central state level, fiscal policy was transferred to the entities and cantons, and no instruments were provided for shaping countrywide macroeconomic policy. This ties the hands of the central state concerning the formulation of a uniform strategy for economic development, including industrial policy. In practice, Bosnia and Herzegovina lacks the power to formulate and implement independent monetary, fiscal, price and foreign exchange policies, and policies regarding privatization, incomes, and social welfare. Moreover, industrial policymaking is, in effect, impossible under the "Washington consensus" rules applied to the country by the World Bank and IMF.

The development prospects in such a poor country are remote, since the starting position is so low. It has no developed market institutions and no strong government which might implement an alternative package of development and macroeconomic policies. The policy package coming from and implemented by the IMF and the World Bank is seen as the only way of achieving stabilization, preparing the ground for privatization, and developing macroeconomic policy under more favorable political circumstances.

Yet the evidence points to the contrary. The "Frankenstein" economy simply does not perform as was expected. An alternative supply-side approach to economic development strategy is clearly needed.

Supply-side industrial policy has been defined as a set of government policies intended to directly increase the production and supply of goods, and also usually to raise the per capita income of consumers. It requires "a well-thought-out, reasonably consistent and coherent set of industrial policies", and the "required resources and mechanisms

for implementation." Under this definition, by Professor C. Pitelis of Cambridge University, part of the package should be policies for improving the competitive position of industrial producers over time and in relation to other countries, which in turn influences the achievement of the supply objectives. He suggests using the criterion of "total productivity of the economy" to measure performance, because productivity leads to improvements in competitiveness and implies "an increase in the welfare of all, at least in absolute terms." [4 5]

What follows is an attempt to outline a more appropriate economic development strategy for Bosnia and Herzegovina, based on this definition of supply-side industrial policy and of productivity and competitiveness as its complementary main determinant. This entails examining human resources, technology and innovation, unit cost economics, and infrastructure, all within a macroeconomic framework and an institutional setting. We will try to analyze the determinants of productivity in Bosnia and Herzegovina as a small open economy in the process of transition.

PRODUCTIVITY AND COMPETITIVENESS

Institutional setting

Corruption: There is evidence of widespread corruption at several levels, which raises the costs of doing business to a degree that it may become unjustifiable.

Interviews with over 50 companies have shown that officials of the Payment Agency, inspectors (customs, market, sanitary, communal, etc.) and minor government officials are corrupt.[6] Inspectors have the right to shut down a company on the spot or to seize goods. The study concludes that ruling political parties act as an organized family. Noncompliance with the law is widespread, on all levels. Those in power award lucrative contracts to cronies and family members, do not pay customs and taxes, launder money, gain access to prime commercial and real estate sites, and block business activities of outsiders, especially if they are unwilling to pay bribes. A process of law and an effective appeals system do not exist.

The court system has proved completely nonfunctional. Contract law is unenforceable. Corruption is omnipresent in the judicial system, judges are not independent of the ruling political party, and party officials often dictate judgements. As a result, cheating and fraud are the rule rather than the exception.

Business activities do not focus on production. Those who earn from the interplay between trade and politics do not need to enter the troublesome sphere of production, and others who try to engage in it become victims of all kinds of parasitism.

Excessive taxes: Equally discouraging is the official tax system. In the Federation, taxes include:

- 10 per cent tax on services
- 10 per cent tax on turnover
- 5 per cent tax on cash deposits

- 36 per cent tax on profits
- 87 per cent tax on employees' salaries
- Tax to support the chamber of commerce
- Annual business registration taxes
- Miscellaneous municipal taxes and levies, often retroactive.

This huge tax burden makes business activities risky and often simply unprofitable. Some business people try to escape into the grey economy or the black market. This is easier in the case of trade, as it sometimes offers opportunities for quick profit. The best way to understand the situation of the manufacturing sector is to imagine a nearly starving cow surrounded by a bunch of hungry people who desperately try to press milk out of her.

Financial hindrances: A further reason for the slow development of manufacturing is in the financial sphere. Many companies, if confronted with lucrative orders from clients, would have difficulties meeting the demand, mainly because they lack financial means to buy the necessary inputs. Most are in desperate financial state. They may simply not be creditworthy. Or they prefer not to apply for credit, because interest is so high that it destroys the profitability of projects. The interest rates differ from bank to bank, region to region and client to client. The rates would probably be two-digit, and in a country with zero inflation this has to be prohibitive for most companies engaging in production. Only traders with short-term credit requirements can afford such high interest rates.

Privatization: Why is progress so slow? From the very beginning, the international organizations administering reconstruction aid have emphasized the need for quick and comprehensive privatization. Only private entrepreneurs, so the argument goes, behave in the way required for a functioning market economy. Given the fact that fast privatization of financial and nonfinancial enterprises was given absolute priority, it may look puzzling that not much happened in this respect up to 1999.

Transition countries such as Hungary, Poland or Russia have promoted privatization vigorously. Why not Bosnia, despite much more support and also pressure from outside? One reason may be that structures in the former Yugoslavia differed fundamentally from those in Moscow-controlled countries. The proclaimed self-management of companies by their employees had not really functioned well, but nevertheless the enterprises had much autonomy. They gained experience with commodity markets for inputs and outputs, as well as with labor markets. Employees and the local population developed some emotional adherence to "their" enterprise. Maybe this helps explain why effective privatization is slow even in Slovenia, otherwise the most developed transition country. Privatization necessarily means a redistribution of power, and in Bosnia more than elsewhere the leading forces may be afraid of it, because property issues are

unavoidably mixed with ethnic aspects, and therefore extremely sensitive.

The banking sector: There are more than 67 banks in Bosnia (49 in the Federation, 18 in RS), but less than 10 per cent of them are financially sound. Most do not have enough capital to function and are still burdened with liabilities from the prewar period. Many clients who had deposits, whether in domestic or hard currencies, lost access, and their claims should be settled somehow. Because the public has lost confidence in banks, it is difficult to consolidate them. Interest rates vary widely and are generally so high that they cause a serious problem for production companies that need working capital.[7]

Macroeconomic environment

In 1996, a basic strategy for recovery and the role of government was published. It was set out in the chapter entitled "Towards Establishing a Market Economy", in the document "Bosnia and Herzegovina: Towards Economic Recovery", prepared by the World Bank, European Commission and EBRD. The package contains all the elements in both theory and practice which were adopted in other Eastern European countries. One unique and important element, which was not needed in those countries, concerns postwar physical reconstruction of Bosnia and Herzegovina.

The document envisaged that quick privatization, the dismantling of state firms, and the development of small and medium enterprises, light industry and the service sector would be the basic levers for the growth of the economy. It continued:

> *"The role of the state in the economic and development strategy which is governed by the private sector is not unimportant, but shifts its focus. It should concentrate on the maintenance of healthy macroeconomic conditions and on the establishment of a relevant legal and institutional framework, which motivates uninterrupted functioning of a free market and provides basic public goods and social services, such as defense, public order, education, health services."* [8]

The reform of banks and firms was a major project which must be implemented, the document stated. Sizable inherited bad credits, as well as old foreign currency accounts must be excluded from the balance sheets of banks. At the same time, large and inefficient state firms must be closed or restructured and privatized.

In restructuring firms and banks, the document considered the most appropriate approach would be for state institutions to adopt a flexible program of privatization to be applied regionally. The RS would be one region, and regions in the Federation might consist of a group of cantons, an individual canton or more local levels. This regional approach has consequently provided the basis for so-called "ethnic privatization", which now constitutes an annoyance and a divisive factor. At the same time, the regional

approach towards privatization has divided formerly big companies into component parts according to their locations.

Under the World Bank/IMF program, the central bank functions as a currency board for six years, starting from 1996-97. This means integrating Bosnia into international markets as a "price taker", with a fixed exchange rate of national currency pegged to the Deutsche mark (DM). The country thereby loses the potential advantage of the effects of the so-called "Philips curve".

The package contained a hard budget constraint, a rule which Bosnian authorities accepted. A budget deficit cannot become a source of inflation.

The external sector was given as significant a role in the economic transition of Bosnia as in other transition countries. Foreign trade is to be liberalized as quickly and fully as possible. Foreign direct investment (FDI) and transnational corporations (TNCs) are supposed to be main driving forces for economic recovery.

Left without its own monetary, foreign exchange rate and balance of payments policies, with different privatization policies in its two regions, unable even to consider an industrial policy, Bosnia was placed in the hands of free market forces and the international donor community.

Four years since peace came, gross domestic product (GDP) reached slightly more than 50 per cent of its prewar level. However, since the socialist method of calculating GDP before 1991 excluded the service sector, today's GDP in reality is less than 50 per cent of its 1991 level.

Below is a series of basic macroeconomic data for January-September 1999, and comparisons with 1998 figures [9]:

- ***Industrial production*** in the period increased by 4.9 per cent over 1998 in the Federation, and 1.5 per cent in RS.
- ***Retail prices*** decreased slightly in the Federation (less than 1 per cent), but increased substantially in the RS (13 per cent), compared to the 1998 level.
- ***Employment.*** In the period, employment in the Federation reached 408,004, 3.2 per cent above the 1998 average, with about 69 per cent in the business sector, and 31 per cent in nonbusiness. In RS there were 244,267 employees in 1997 (latest figures). At September 1999, 149,214 people were looking for a job, 5 per cent more than at the end of 1998. Skilled workers made up 35.6 per cent of the unemployed, and 1.1 per cent had university degrees.
- ***Net wages.*** Average net wages had increased by 5 per cent in the Federation and by 30.1 per cent in the RS over 1998.
- ***Balance of payments.*** In the period, the deficit in the current account reached US$1,341 million — two-thirds from the Federation, a third from RS. Trade balances

Table 1—1998 JOBLESS INDICATORS—NARROW AND BROAD CONCEPTS

Description	Federation	RS	National
Population (projection)	2,250,000	1,392,000	3,642,000
Population of working age (15-64)	1,500,500	907,200	2,407,700
Work force — Total potential	872,000	528,000	1,400,000
Official unemployment	407,000	202,000	609,000
Registered unemployed	249,000	143,000	392,000
Waiting workers*	70,000	45,000	15,000
Registered and unregistered unemployed	465,000	326,000	791,000
Narrower rate of unemployment	28.56%	27.08%	25.16%
Unemployment rate, including waiting workers	36.58%	35.61%	36.21%
Broader concept of unemployment	53.33%	61.74%	56.50%

Source: UNDP, Human Development Report, 1998.

** Waiting workers are workers for whose work there is currently no need. They are placed on firms' "waiting lists".*

alone recorded a deficit of US$ 1,408 million. Exports covered 21.8 per cent of imports. A projection for the remainder of 1999 showed the value of exports running around 15 per cent below World Bank predictions.[10] However, from the very beginning of the World Bank recovery program, the question has been where such huge exports could come from, under a "demand management" type of policy?

Economic recovery in Bosnia is approaching the limits of its own foreign-debt service possibilities. If foreign aid were to be reduced or stopped for any reasons, the GDP would enter the minus zone. The economy is not prepared for self-sustaining development.

- ***Human resources.*** In addition to refugees, emigrants and internally displaced persons (see above), unemployment is a major human resources issue for Bosnia. Despite the "demand managed" reconstruction and recovery program initiated in 1996 and led by the World Bank and the IMF, over half the country's potential work force was

unemployed at the beginning of 1999, according to the broad definition of unemployment.

In 1999 registered employment increased by about 4 per cent.

The renewal of the work force by the entry of younger employees is a factor which tends to favor increases in productivity. However, the opposite trend exists in Bosnia, where the majority of the unemployed are aged 21-25 and 31-35.[12] A recent federal law aimed at saving the pension system by decreasing the number of pensioners could lead elderly workers to prolong their employment, thus reducing employment possibilities for younger productive people.

Even more counterproductive for productivity and job creation are the provisions of the recently enacted "Work Law." People employed by a company in 1991 before the war started, now have the right to return to the same job, or to be compensated by the company if they are no longer needed; but the majority of big companies were destroyed or demolished during the war, drastically changing their need for workers. The law imposes a serious financial burden on companies already facing financial pressures. It endangers the privatization process by making companies less attractive for privatization and restructuring. It affects potential industrial investment by diverting scarce financial means from investment to private consumption. The World Bank and private businesses strongly oppose this law. The law represents a heritage from the former "self-management" system in former Yugoslavia and is evidence of inadequate institutional change in Bosnia's transition process.

As for education, the war caused a serious drop in primary and secondary school enrollment rates. Prewar primary enrollment was 98 per cent, and the 1999 figure was 82 per cent of school-age population, while secondary levels dropped from 90 to 75 percent. Likewise university students, which decreased by 30 per cent from the 1991 level.

The preceding numbers at least partly reflect the anarchy of the country's transition process. Human resources are used inadequately, even in a wasteful and useless way. For example, a majority of highly educated Bosnians now work for international agencies in jobs that do not use their educational qualifications, which are therefore lost to the productive economy and decrease from disuse and the passage of time.

Another factor which affects human resources potential is that people are very immobile. This is caused by the housing shortage, with many houses destroyed in the war; high unemployment and lack of job opportunities; very low pay and the impossibility of paying rent if not living in one's own residence; and loss of attractive markets in the former Yugoslavia and companies which produced for them.

Institutional changes in Bosnian society are rather slow. Inherited privileges from the self-managed period are still

deeply rooted. Workers are not aware of the revolutionary changes taking place globally and even in their country's constitution. They claim rights to a permanent job and other privileges they had under the previous self-managed system.

Nationalistic political parties still control the governments and are main manipulators of state companies which still exist, selecting their general managers and boards of directors. Even the Federal President sits on the boards of some top priority state companies, usually the best performing and most healthy ones. There is a belief that privatization and restructuring of the state companies could remove the obstacles to development and adequate use of human capital.

But many other factors are involved: the newness of the privatization process and its unpromising political and economic circumstances; the missing institutional changes which are needed; corruption among politicians; the dangerous lack of liquidity; and the lack of an economic development strategy (other than that prescribed by the World Bank, which relies on free market forces and foreign direct investment, which are both missing). Bosnia's recovery program is still based on the "development without a concept" program set by the international community, which says "let the free market do the job" and "let the chips fall where they may." Under such circumstances, a black or gray market develops for human capital, degrading the quality and decency of human resources. The value system has changed so that the top priority of the Bosnian elite, managers and politicians has become quick wealth creation through short-term speculation. They are neglecting long-term objectives and visions based on the postulate of hard work and sustained development.

Technology and business development

Generally speaking, the disintegration of the former Yugoslavia in 1991 stopped the processes of transfer of technology and technology creation. Since 1995, reconstruction has been at the top of the agenda of the government and the international community, and donor disbursements totaled over US$ 2.13 billion between January 1996 and August 1999 (according to the Federation government document, "Economic Policy Measures for 2000"). Of this total, 82 per cent went for rebuilding and reconstruction of housing, energy, transport, water supply, health, education, social services, and agriculture (about US$ 1.75 billion for 4,500 projects); and 18 per cent went for credit projects for the business sector (about US$ 385 million for 919 projects). Therefore, it is not surprising, but rather a logical consequence, that the business sector is in a state of infancy and far from a self-sustainable level. The international community, simply speaking, refuses to provide capital to state-owned companies, regardless of their actual and potential viability and efficiency. The available modest amounts of credit are supporting only small private business entities.

On average, 85 per cent of equipment in the business sector is obsolete. The rate is so high because companies were technologically relatively obsolete before the war, the war destroyed much equipment, and the international community does not support nonprivatized business.

One of the most controversial aspects of the role of the international community in Bosnia is that its investment policies are very short-sighted and narrowly based:

- It provides only modest financing and only for private small/medium enterprises (SMEs).
- Repayment periods are very short-term.
- Interest rates are very high on domestically borrowed capital — 1.5 to 3 per cent monthly.
- Investment per job created is only KM 20,000 or 30,000, with low technological content [1 KM = 1 Deutsche mark].
- Products receive no effective tariff protection.

All these factors force business managers to have only short-term horizons and neglect even the slightest possibilities of modernizing their companies. Under such circumstances it is quite understandable that any R&D activities are voluntarily selected entirely by individuals based on their personal enthusiasms.

The above-mentioned realities and rigidities, plus institutional malfunctioning and, even worse, the absence of relevant institutions, make quite convincing the broadly supported and accepted argument that without foreign direct investment (FDI), the Bosnian economy cannot move ahead.

This is how we get into the vicious circle:

- Without capital there is no technological change.
- Without technological change there is no progress.
- There is no capital without transnational corporations and foreign direct investment.
- There is no FDI without free markets and a prosperous economic climate.
- There is no free market with state intervention.
- With state intervention, there is no capital because TNCs will not come.
- Without TNCs there is no capital, and without capital there is no technological change.

In May 1999, the European Commission and the World Bank published a study entitled "Herzegovina — 1996-1998: Lessons and Accomplishments — Review of the Priority Program and Looking Ahead towards Sustainable Economic Development." The study describes three groups of barriers to the development of domestic private business and to the attraction of FDI to Bosnia:

- Fiscal barriers — complicated fiscal procedures, unforeseen and retroactive taxes, uncoordinated taxes between RS and the Federation.

- Barriers related to the inappropriate and unreliable judicial system, including the lack of professionalism and the insufficient transparency of ownership rights.
- The extremely complicated administrative process for registering new business activities.

The absence of technological progress and the lack of a positive vision of the country's future leave the citizens with a very gray perspective about the possibilities of improvement and progress, and this contributes considerably to the brain drain from the country.

Infrastructure

According to the "Global Competitiveness Report — 1999," there are several basic parameters for measuring the creative technological potential of a country. Nine of them are listed below, with comments on how Bosnia is faring:

Investment in basic R&D. The country cannot realistically expect this to happen until the distant future, unless the international community were to change its attitudes towards the development of Bosnia and the Balkan region as a whole.

Average educational level. This is 25 per cent lower in 1999 than it was in 1991. However, investment in education is being heavily supported by the international community and offers the possibility of achieving an improved level as future student enrollments rise. There are predictions that by 2007 the same level of enrollment will be achieved as existed in 1991.

Concentration of scientific and engineering talents. Only a very small cohort of young scientists exists as the basis for eventually building a significant cluster of talents. Many young scientists have left the country, and most have been well received in USA and EU. On average, close to 60 per cent of scientists with a technical education become part of the brain drain. It may take as long as 15 years for the country to restore its prewar level of scientific talent.

Information-communication infrastructure. With financing from the international community, the web of information-communication has been rebuilt and modernized. Once the state PTT company is privatized, more improvements in telecommunication services are expected.

Protection of intellectual property rights. Practically speaking, appropriate regulation does not exist in the country.

Promotion of R&D activities. No special fiscal policy or law exists to stimulate R&D activities, except for one incentive that encourages reinvesting earnings in support of R&D.

Venture capital. The supply is still rudimentary, both from commercial banks in the country and the 17 local and 9 international nongovernmental organizations which are active. World Bank data show that NGO-financed credits stimulated creation of 40,000 new jobs in 1996-1998. But almost 60 per cent of the credits went to the trade sector, and they averaged only 3,000 KM — a very small contribution to promotion R&D.

Openness for FDI and foreign trade. Since 1995, the country has had almost no tariff policy, and could be simply depicted as a state without borders. Domestic producers face an unfair trade position — disadvantaged by the doctrine of free trade and the lack of an appropriate institution to support and monitor the development of foreign trade. Foreign goods are cheaper than domestically produced goods by 30 per cent or more. Combined with the great outflow of domestic capital, the development of production and of the domestic productive sectors is seriously hindered. Some positive change may result from a recently enacted Tariffs Law which favors fair trade relations with foreign partners on the basis of free trade.

Level of demand sophistication. The domestic market is full of goods which lack certificates of origin and which do not pass quality controls. However, given the low purchasing power of the population, goods are easily sold on the domestic market.

Economies of scale

Central to the situation of Bosnia and Herzegovina at present is the fact that its economies are limited to a small scale in a number of ways:

- Financial sources are too small to achieve the necessary technological innovation. This means that the present state of technology obsolescence is retained.
- Average capacity utilization in the economy is low — about 40 per cent in industry and 30 per cent in agribusiness.
- Large companies are languishing or not even restarted after the war. Their managers say that only small amounts of money (5 million DM, for instance) would enable them to restart production. However, the international community is not helping to finance existing big companies. The position taken by the World Bank and the IMF concerning the future of state-owned enterprises precludes any possibility of restarting those firms. The only route left for Bosnia is the development of small and medium enterprises.

An important stumbling block in the way of quicker privatization of state-owned companies is the prospect of still more joblessness and the difficult social situation this would create. Some estimates are that privatization could increase joblessness by 30 per cent or more.

Before the war, when Bosnia was one of six republics of a single state and part of a single economic area, the market of the former Yugoslavia was very important. For example, Croatia and Slovenia accounted for over 37 per cent of Bosnia's exports to areas of the former Yugoslavia, and Serbia's share was even larger. This export base now is considerably weakened.

Finally, it is obvious that prosperity in Bosnia can hardly be imagined without

economic development of the Balkan region as a whole. The Stability Pact deserves special attention in that regard. Creation of a Balkan Payment Union, like the European Payment Union after World War II, could be a welcome building block for Bosnian and regional prosperity.

POSSIBLE INDUSTRIAL STRATEGY BASED ON CLUSTER DEVELOPMENT

Before the 1991-1995 war, the Bosnian economy was dominated by 12 huge companies, including Energoinvest, Unis, Sipad, Famos, Rudi Cajavec, Soda So, Agrocomerc, and UPI. Those companies produced for the domestic market in Bosnia and the former Yugoslavia and for foreign markets. Beside the giants, there were many privately owned small and medium enterprises (SMEs), more often small than medium in size. The law at the time allowed SMEs to be organized as private sector operations if they had no more than 25 employees. Small private businesses were mainly in the service sector.

Given this background, Bosnia and Herzegovina is not familiar with the cluster type of industrial organization and the economic development process based on such an organization. The cluster idea involves, as a first step, identifying which types of industries and which specific enterprises have a competitive edge, based on such factors as their internal efficiency and profitability (including technological and labor equations), their effective use of available natural and human resources, or their market and export performance. In some cases, some of these might be small and medium enterprises (SMEs) which could achieve production economies and greater profitability if they were grouped into a logical cluster, with shared services and a rational and dynamic division of labor. In other cases, SMEs could be clustered and joined up in the same sector or sub-sector with big privatized firms which are strong and efficient.

Analysis of the country's natural and human resources reveals some comparative advantages which could profitably be emphasized in the restructuring of the industrial sector and the development of clusters. A competitive edge seems to be offered in:

- Resources industries based on hydropower, forests, ore, nonferrous metals, and nonmetallic minerals.
- Technology-intensive industries whose management is export-oriented and which can draw on "good will" they acquired in some foreign markets in the prewar period.
- A number of small and medium enterprises which could profitably combine forces with big firms which are successfully engaged in similar lines of production.
- Labor-intensive industries which could achieve production economies by increasing the volume of their specialized output, have a trained and cheap labor force, and can sell in nearby foreign markets (especially in the former Yugoslavia and the Balkan region).

Given the fact that Bosnia is a small country, its industrial strategy and clustering might be based on selecting rather narrow objectives or on targeting those portions of the international market which offer the best chances of achieving positive effects.

The creation of a new industrial strategy based on cluster development is constrained by the low purchasing power of citizens, the current political organization, the existing high risk for foreign investors, the lack of capital needed to support cluster development, and the "Washington consensus" type of economic development strategy which still prevails. However, forgetting those constraints for the moment, we have tried to find an appropriate and objective way of assessing potentials for cluster development.

We needed to be able to measure the economic strength and flexibility of different muncipalities as the regional-local bases for industrial production. This involved studying the structures existing in the prewar period, assessing the comparative performance of municipalities in the recovery and reconstruction process, and analyzing the propensity of the municipalities to private initiative and entepreneurship. A key question about the future concerned the ability and adaptability in a muncipality to create value added in the period after privatization and compartmentalization of previously "big" companies.

To see how a municipality contributes to the national economy, we calculated the respective ratios of its participation in creation of (1) gross domestic product (GDP), (2) gross national product (GNP), and (3) net value added, to its participation in the fixed assets of the national economy. However, from 1990, the data could be taken as a good illustration of the efficiency of the use of fixed assets in individual municipalities. Given the enormous damage caused by the war, the coefficients suggest how rapidly municipalities could undertake privatization and create SMEs from privatized big or relatively big state companies.

Analysis of municipalities within RS showed that the industrial structure of the majority of them was very bad. In most cases, their contributions to the creation of GDP and net value added were below the average for the country. They performed very poorly even before the war, while the Bosnian economy was integrated in the unique Yugoslav market and purchasing power was much higher than today. No developments since then suggested that future performance would be better.

As for the municipalities within the Federation, they divided into one group with below-average performance, one municipality with a very mixed profile, and another group which was above average.

Low: All three coefficients were considerably under in nine municipalities. They were characterized by too many industrial facilities for electric energy generation, black metallurgy, and extrac-

tion, which also are not very attractive for foreign investors.

Mixed: Another municipality presented a mixed picture. There, although industrial capacity was very well preserved after the war, poor management resulted in a highly negative coefficient. At the same time, its industry — agribusiness — is quite attractive and may offer a good basis for negotiation with foreigner investors and for transforming the certificates of employees into shares.

High: Eight municipalities had very high performance, with coefficients twice as high as the national average. In general, they have relatively great fiscal capacity in their municipal and cantonal budgets because of more intensive economic activity; are less burdened by fixed capacities; have a well-developed tradition of operating SMEs; exhibit an entrepreneurial spirit which promotes great efficiency, and in the period of postwar transition and reconstruction their entrepreneurs have already achieved positive results. Typical examples of rapid recovery in three different municipalities are a company which has re-employed nearly all its prewar workers, and textile and wood products companies which have re-established their business ties very quickly and generate considerable income. These municipalities and companies are considered primary candidates for a new cluster approach to economic development.

CONCLUDING REMARKS

Since the Dayton Peace Accord at the end of 1995, the economy of Bosnia and Herzegovina is supposed to have been reconstructed from war damage and transformed into a modern market economy. This was to happen as a result of a whole array of demand management policies prescribed by the IMF and World Bank. The goal was for the Bosnian economy to converge with the economies of the European Union, the sooner the better.

However, in four years since the end of the war, the GDP has reached less than 50 per cent of its prewar level, in spite of great endeavors by the international community. The strategy for economic recovery and takeoff initiated by the World Bank and IMF relies heavily on a "demand management" type of policy. The supply side, production improvement and industrial development were left far behind in the list of priorities. It was believed that economic recovery and development would proceed automatically as soon as the idea of free markets and FDI as the main driving force for the economic advance were accepted.

What has almost been forgotten is that institutions have an irreplaceable role to play in development. The attention given to the development of a key institution — the market — has been sporadic and virtually nil. The results are counterproductive: privatization has taken place on the basis of ethnic separatism, and the country's economy has been divided into two entities.

If the goal is to achieve economic, social and political recovery and encourage the return of refugees, the country badly needs to adopt an industrial strategy based on supply-side economics. Such a strategy should start with and build upon the most important element for improving social welfare — the productivity of labor. The leadership in such a strategy should be provided by the state (as envisioned by Pitelis and Sugden or by Murakamy, Nolan, Panic, Horvat and others)[13]. Production would then be reshaped in a decisive and important way.

However, there are some serious obstacles to efforts to achieve such a solution, as follows:

- Lack of resources, especially capital and new technology.
- Lack of efficient government.
- Lack of credible market institutions.
- The economic philosophy of the leading international institutions for development, which is not based on a supply-side approach.
- The interests of transnational corporations (TNCs) are not compatible with a national development strategy based on domestic cluster industries independent of TNCs (see Dunning, 1998).

Special attention needs to be given to countries' dependence on the leading international development institutions and to the increasing role of TNCs in a globalizing world economy. These two powerful groups stand in the way of the supply-side option being adopted by an individual country, even if it seems to be the best possible approach.[14]

The biggest issues for Bosnia and Herzegovina could be resolved if the broad assistance being provided by the international community were directed towards:

- pursuing a supply-side strategy as the most productive way of overcoming transition difficulties,
- efficient and quick privatization and restructuring of potentially "strong" companies, around which adequate clusters could be more easily developed, and
- stronger support for job creation and economic development based on supply-side strategy.

This mix of components offers an alternative approach to the singular focus on demand and markets embodied in the current strategy. No single prescription cures all illnesses. □

Note

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[2] J. Poschl, "Herzegovina After Four Years of Reconstruction," Vienna Institute for International Economics, 1999.

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[4] C. Pitelis, op.cit. p.5

[5] C. Pitelis, p.2.

[6] This part of the article relies heavily on J. Poschl, "Herzegovina Four Years after Reconstruction."

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Women's Issues ...Five Years After Beijing: Progress & Drawbacks

by HILKKA PIETILÄ

After 25 years of international efforts, have gender perspectives and assessments of gender impact been "mainstreamed" as part of national laws, plans and programs? Is action being comprehensively monitored? How will the momentum of the global women's movement be maintained? These questions are explored by Hilkka Pietilä, who took part in all five UN women's conferences since 1975. Having been Secretary-General of the Finnish UN Association for 17 years, she is now Finland's "Focal Point" for the UN Institute for Training and Research on Women (INSTRAW) and Honorary President of the World Federation of the UN Associations (WFUNA).

THE WAY THAT THE UNITED NATIONS determines whether Member States implement the programmes and resolutions they adopt at UN fora is by conducting a review and assessment every five years after a world conference or summit is held. This practice was originally adopted by governments in the World Conference of International Women's Year in Mexico City in 1975, and has now been applied to the follow up of all UN world conferences and summits in the 1990s.

REVIEW AND APPRAISAL AS A REGULAR PRACTICE

The experience of developing and reviewing global action plans on women's

* This article is part of a longer "Development Dossier" to be published by the United Nations Non-Governmental Liason Service.

issues has a 25-year history (see box). The first three world conferences generated a massive increase in the interest and participation of governments and non-governmental organizations. By the time of the 1985 Nairobi conference, it became obvious that organizing a world conference every five years was not feasible in financial and practical terms. Therefore, no world conference was planned for 1990 for a five-year review and appraisal of the implementation of the 1985 Nairobi agreements. Instead, a modest administrative procedure was scheduled, but it did not succeed very well. Without a major intergovernmental event to highlight the outcome, so few governments were motivated to prepare proper reports that there were not enough to give a global overview. As a result, it was decided already in 1990 that the next five-year review and appraisal should take place at a 1995 fourth world conference on women, which was held in Beijing.

An explicit clause in the Beijing Platform states that it constitutes "a basic group of priority actions that should be carried out during the next five years," meaning that the year 2000 was the time for a five-year review and appraisal. Furthermore, the exercise in 2000 was to cover a longer period, back to 1975. The Mexico World Plan of Action had been extended in the 1985 Nairobi conference, which also adopted the Forward-looking Strategies in order the speed up and strengthen the implementation of earlier plans through the year 2000. Thus, all UN programs for advancement and empowerment of women adopted by the governments in the past 25 years were to expire in 2000.

In June 1998 the UN General Assembly decided to convene — not a world conference — but the 23rd UN General Assembly Special Session (UNGASS), entitled "Women 2000: Gender Equality, Development and Peace for the Twenty-first Century"(called UNGASS Women 2000 or Beijing+5 for brevity). The Gen-

WORLD CONFERENCES ON WOMEN'S ISSUES

Year	Location	Outcome document
1975	Mexico City	"World Plan of Action for the Advancement of Women"
1980	Copenhagen	"World Conference of the United Nations Decade for Women: Equality, Development and Peace"
1985	Nairobi	"Forward-looking Strategies"
1995	Beijing	"Platform for Action"
2000	New York	"Further Actions and Initiatives to Implement the Beijing Declaration and Platform for Action"

eral Assembly has chosen special sessions as the forum for other five-year world conference reviews in the 1990s — Rio+5 for the UN Conference on the Environment UNCED); Cairo+5 for the International Conference on Population and Development (ICPD); Cairo+5 for the ICPD; and Copenhagen+5 for the World Summit on Social Development (WSSD).

The Special Session on women's issues (Beijing+5) was held in New York June 5-9, 2000. It was attended by 2,300 delegates from 178 member states and more than 1,000 accredited NGOs represented by 2,000 delegates. In addition, about 1,000 NGO participants attended parallel events organized by a special committee of the Conference of NGOs (CONGO) and the US Host Committee at the US Customs House in lower Manhattan. Only five NGOs were given the opportunity to address the GA Special Session among the 207 speakers altogether.

PROGRESS AND DRAWBACKS

The UN sent a broad questionnaire to member governments to report about their policies and actions to implement the Beijing PFA. Before UNGASS began, 146 of 188 Member States responded to the questionnaire. These replies were summarized in a report, published in January 2000, which is an excellent source of information on achievements at the official level (United Nations, 2000a).

Several other reports facilitated the review and assessment. Every five years since 1984 the UN system has jointly produced a world survey on the role of women in development. The surveys are multisectoral and interdisciplinary in scope, and have provided timely and important background resources for the five-year review and assessments of successive world conferences on women. In 1999 the fourth survey in the series was published with a focus on "globalization, gender and work" (United Nations, 1999b). This survey is based on research, knowledge and data produced by appropriate UN organizations and agencies, not relying on information given by governments only.

Two other reports which compiled and analyzed plenty of statistical information also came out in time for the Special Session. One was UNIFEM's new biennial report titled "Progress of the World's Women 2000" which covers from the mid 1980s to the late 1990s, i.e. from the Nairobi Conference to the GA Special Session 2000 (UNIFEM, 2000b). The second report is "The World's Women 2000: Trends and Statistics" published by the UN Statistics Division (United Nations, 2000b), which updates data and analyses from the 1991 and 1995 editions.

These four new UN reports provide an abundance of information on the situation of the world's women today and the progress achieved in recent decades. They also present many criteria and indicators, which have been in short supply until lately. The information available on women in the UN sources

WOMEN NEED PEACE, AND PEACE NEEDS WOMEN

Women from around the world have urged the UN Security Council to take stronger action to protect women and girls during conflicts and ensure women's full participation in peace negotiations and peacebuilding. These calls came on 24-25 October when the Security Council held its first-ever debate on women's experiences in war and its aftermath. Women and children account for over three-quarters of the 40 million people displaced worldwide, mainly due to conflicts.

"Without international action, women caught in conflicts will be stranded in a vast security void," said Noeleen Heyzer, Executive Director of the UNDP-administered UN Development Fund for Women (UNIFEM). "And without their full participation in peace processes, there will be no justice or sustainable development." She said the Security Council was demonstrating an unprecedented willingness to bear witness to women's experiences of war, and described the Council sessions as an important step towards increasing protection and fully prosecuting war crimes such as rape, sexual exploitation, torture and mutilation.

Opening the debate, UN Secretary-General Kofi Annan said, "For generations, women have served as peace educators, both in their families and in their societies," and have "proved instrumental in building bridges rather than walls." Anwarul Karim Chowdhury of Bangladesh called on the Council to send a strong message that, "Women need peace, and more importantly, peace needs women." During the debate, representatives of more than 40 countries supported strengthening protection for women and their role in peacemaking and peacebuilding.

"If the Security Council wants peace, they must seek it where it is found," said Dr. Inonge Mbikusita-Lewanika of the Organization of African Unity's Women's Committee on Peace and Development. She cited examples of women's role in promoting peace in conflicts in Mali, Mozambique, Somalia, South Africa, Sudan and Uganda.

Women's direct participation at the peace table is the only guarantee that women's needs and interests will be a part of peace agreements, said Luz Mendez, General Coordinator of the National Union of Guatemalan Women, who participated in her country's 1996 peace negotiations. "As the result of the efforts of women, the Guatemalan Peace Agreements include specific

commitments aimed at giving women new opportunities for their social and economic participation and access to their rights."

Prior to the debate, a coalition of women's organizations and United Nations agencies working for women's equality called on the Security Council to mandate:

- A full investigation of the impact of war on women and girls
- A full assessment of women's role at the peace negotiation table
- Increased protection for women and girls in conflict situations, including refugee camps
- Enforcement of codes of conduct and gender training for UN peacekeepers and police
- More women in peacekeeping operations
- Consultation with women and women's organizations in all peace missions.

is very broad and qualitatively high level — if only the governments, women researchers and activists would make full use of it. At the same time, there are some shortfalls in the data. For example, information on violence against women is still scattered and comparative statistics on it are rare, becasue this issue is so sensitive and traditionally largely silenced. A continuing problem is that national statistical offices still don't disaggregate their information adequately, despite repeated UN requests for this since the 1970s.

ALTERNATIVE REPORTS FROM PEOPLE AND NGOS

This time there was double-checking of governments' implementation of the programmes for advancement and empowerment of women. In addition to the obligation of Member States to report periodically to the UN, there are active NGOs and women's groups in most member countries which follow up on these issues more closely than the UN ever can. An NGO representative at Beijing put it this way:

> *For the NGOs the Beijing PFA is the 'culmination of women's struggles for justice in their diverse contexts around the world and an embodiment of their vision and hopes for the society that recognizes women's rights as human rights', and not just an international document to pay lip service to, as it is to many political delegates."*

The NGO women attending the meeting of the Preparatory Committee for UNGASS in March 1999 initiated the idea of preparing *alternative reports* on the implementation of the PFA. The

NGOs used the same questionnaire which was sent to governments by the UN. The NGO reports commented on the reports of their governments, made their own assessment of implementation in their countries, recorded their own implementation activities, and proposed additional actions for forthcoming years.

Altogether 116 alternative reports were received. Of these 80 were national reports from 57 countries (several reports from some countries), 15 were regional reports, and 14 were theme reports. The individual reports were compiled into regional reports, and these were then summarized into an "NGO Alternative Global Report" (CONGO, 2000). Before the opening of the Special Session, this report and highlights of regional reports were given to its President, Theo Ben-Gurirab (Namibia).

The most important function in preparing alternative reports was to mobilize women in countries all over the world to study the reports of their governments and criticize and comment on them at home. The work done and the ideas collected in this process also provided NGO women the necessary substance and competence for commenting on the official draft Outcome Document prepared for the Special Session. Their country-level work led to the creation of the Coalition in Support of the Beijing Platform for Action, comprising 171 NGOs and networks from every region of the world.

During the March 2000 Preparatory Committee for UNGASS, the Coalition presented a paper giving a "package" of proposed amendments, additions and deletions to the draft Outcome Document of the conference. The Coalition paper was the first to be introduced and negotiated directly with government delegations. The next stage was NGO lobbying operations, adopting the same strategies as in earlier UN conferences. NGOs used all possible occasions to present the Coalition's proposals, monitor government negotiations on official draft documents and prepare more suggestions and amendments. The lobbying activities naturally continued intensively until the last sessions of the negotiating groups during the Special Session.

Altogether the official and the non-governmental reports on implementation of the PFA contain a huge amount of information and experience to be analysed and used to facilitate further work in the advancement and empowerment of women. Unfortunately, research groups in the UN system and at country levels probably have very limited financing and other resources for doing this kind of work. In fact, it is even rare for such political and women researchers to be included in UN system reports and documentation.

INTERNET AS A CHANNEL FOR WOMEN'S VOICES

For some years, the United Nations Internet websites have included a gateway to global information on women

called WomenWatch. In connection with the Beijing+5 review, the UN system itself introduced another way for individuals from all over the world to communicate their views, experiences and suggestions directly to the intergovernmental system. This was done by opening, on the WomenWatch Internet pages, global online working groups on implementation of the 12 critical areas of concern of the Beijing PFA. Concerned men and women everywhere were invited to participate in these electronic groups. The new channel was jointly facilitated by the three UN bodies concerned with women — the UN Division for Advancement of Women, UNIFEM and INSTRAW.

This innovative use of the Internet was a very successful and exciting exercise in communication. It could even be called *a global democracy experiment*. Most of the lists were open for about six weeks in latter 1999, but the list on "End violence against women" lasted 16 months from October 1998 to February 2000. It culminated in a great live global video conference on "A World Free of Violence against Women" in the General Assembly Hall at the UN on International Women's Day 1999. Altogether 10,000 individuals from over 120 countries subscribed to these virtual working groups, and more than 1,000 contributions were posted. Many others had one-to-one exchanges that contributed to the overall dialogue but were not seen on the screen.

This was the first time that this kind of follow-up exercise was provided for the review of any UN world conference or summit meeting. One may ask, was this just another privilege for women of the global North? But the participation spread surprisingly evenly, with 45 per cent from the South and 52 per cent from the North, though exact distribution is difficult to get since most e-mail addresses don't indicate country of origin. By comparison, only 19 per cent of Internet users in general are outside Europe and North America. In some of the working groups, for example on environment and decision-making, more than half of the contributions came from the South. On average more than half of the contributors were from NGOs. Between 13 and 30 per cent of the participants were from governments, 24 per cent were academic people, and the lowest group was from intergovernmental organizations at 7 per cent (United Nations, 2000c).

Furthermore, the Internet working groups provided an unparalleled new opportunity for civil society to participate directly in the intergovernmental process. One might like to ask, what was the weight and importance of 1,000 Internet interventions by NGO and civil society directly to the UN bodies, compared with only five statements allotted to the NGO representatives in the formal plenary of UNGASS?

All material from this Internet exchange is available in the archives of

WomenWatch. It is a huge repository of case examples, failures and successes, experiences and reviews which are more authentic and personal than the governmental or even the NGO reports as such. Will researchers or relevant UN bodies analyze and benefit from it for its interest either as substance or as an experimental new option for the use of information technology? The WomenWatch website contains the reports of each on-line working group at http://www.un.org/womenwatch/forum.

UNGASS – HARD WORK AND MEAGER RESULTS

The Beijing Platform for Action is so rich and progressive, and its recommendations for policies and actions so concrete and practical, that it is apt to create overwhelming hopes and expectations. The visions about forthcoming improvements and progress in women's lives causes women to expect a lot from their governments. They also motivate, encourage and mobilize women to struggle and work by themselves. The review and assessment not only summarizes achievements, but also reveals shortcomings and drawbacks, which cause disappointment and frustration.

Since Beijing, some new trends and macro-processes have gained momentum more than was foreseen five years ago. The expansion and further liberalization of international trade and the accelerating globalization of economic structures have produced consequences of unexpected dimensions. There have been repercussions on the policies of industrialized countries regarding the financing of development cooperation and allocations to UN agencies. The decline of allocations from the North has seriously hampered developing countries and the UN in their implementation of programmes adopted by the world conferences.

The NGO Alternative Global Report identifies policies that have aggravated "feminization of poverty." These include the privatization of public services, trade liberalization, deregulation of economies, withdrawal of subsidies, downsizing of governments, substitution of food production by cash crops, and failure to monitor and regulate the inflow of foreign capital and enterprise. The Report also draws attention to the low pay and insecurity of women's jobs, and it claims that "government policies of the last five years have not only failed to address this issue, but some policy decisions have actually exacerbated the situation".

Another major problem is the fatal and devastating plague of constantly increasing HIV/AIDS infections, especially in Africa, but spreading in all continents. Originally it appeared more often among men, but in recent years has rapidly increased among women and girls due to several reasons, including traditional customs and beliefs. In Africa the prevalence of HIV infection among women is now higher than among men, with young women under age 25 constituting the group most at risk. Ninety-

five per cent of people with HIV live in developing countries, whose resources and other prerequisites for effective health policies are already insufficient and strained. In addition, the African regional alternative report claims that Africa now is worse off than it was five years ago in terms of HIV and AIDS, as well as armed conflicts which render women more vulnerable to violence.

The shadow of these trends permeated the atmosphere of the review and appraisal process, especially in the minds of women from the global South. The realities of their lives contradicted the expectations and hopes created by the Beijing Conference and the adoption of the PFA five years before. "We cannot speak about the Beijing plus five, for us it is a Beijing minus five!", many Southern women felt, while women in the economically prospering North do not adequately realize the connections between the policies of their governments and the fate of the South.

The same forces which in Beijing had fought fiercely against progress and for reversing the achievements made in Cairo and other pre-Beijing world conferences have not given up. They were active again both during the Preparatory Committee meeting in March and Special Session in June. Catholic fundamentalists from various countries with their allies from some Islamic countries managed to slow down and even stall the negotiation process to the extent that at times it felt as if the whole conference would fail. The question was raised, whether it would be better not to have any outcome document at all than to adopt a very bad paper diluting even the PFA text!

As a result, government delegates as well as NGO observers spent long nights struggling through irrelevant arguments and mere filibuster by certain government representatives. The Special Session ran past its closing time by more than 24 hours. Finally the five-year review and assessment of the implementation of the Beijing PFA was concluded — a very important outcome as such — but few steps forward were made.

The outcome document, containing the Political Declaration and the document on "Further actions and initiatives to implement the Beijing Declaration and Platform for Action," was unanimously adopted in the final plenary (United Nations, 2000e). There, governments reaffirmed their commitments to the goals and objectives of the Beijing Declaration and Platform for Action and pledged further action to ensure its full and accelerated implementation. This decision implies that the Beijing Declaration and Platform for Action is extended for five more years, until 2005, as the single valid intergovernmental programme for advancement and empowerment of women in these years.

ACHIEVEMENTS, OBSTACLES AND FURTHER ACTIONS

Two hundred paragraphs of recommendations to be implemented in forthcom-

ing five years are contained in the final outcome document of the Special Session. They are given its section on "Actions and initiatives to overcome obstacles and to achieve the full and accelerated implementation of the Beijing PFA." In comparison with the language of the Beijing PFA, however, this document is weak and incoherent. It is like a patchwork, hundreds of detailed suggestions and recommendations follow each other without systematic structure and priorities. Obviously this is due to the extremely difficult atmosphere, the lack of time, and the lack of unity among Member States at the Special Session. Little more than a year was allocated for its preparation, while the preparations for a world conference usually take three to four years.

The first thing for governments to do after the Beijing 1995 conference was to translate the PFA into the national language in countries where none of the official languages of the UN (English, French, Russian, Spanish, Chinese and Arabic) is generally spoken. There are no statistics about this task, but we heard fairly soon after the Beijing Conference that PFA was translated in some big countries into several native languages (six languages in India, for example), that women in East African villages were studying PFA in the regional language Swahili, that the PFA was issued in more "reader-friendly" language in English-speaking Canada, etc.

The second task given to governments in the PFA was to prepare National Action Plans for implementation of the PFA in each country within a year, latest by the end of 1996. The PFA itself set the instructions and deadline for this task, one of its rare time-bound targets. Not all countries were able to produce it in that period. A survey in September 1997, two years after Beijing, showed that 112 countries had an action plan finalized and 21 more had a draft — a total of 133 countries or 70 per cent of the 189 countries which participated in Beijing. The UN Secretariat reports having received national action plans only from 116 Member States, two observer states, and five regional or subregional groups, which makes 123 action plans altogether.

Developments in three out of the 12 critical areas of concern in the PFA call for some discussion:

- ***Education and training*** is the field where signs of progress are very clear. School enrolment in general has increased in almost all regions, and girls' enrolment in many countries more than boys', thus the inequality gap is declining. At the secondary level many countries showed great increases in female enrolment in 1985-1997 (UNIFEM, 2000a). Feminization of tertiary level education is spreading in many countries, with increasing numbers of women attending colleges and universities and doing longer studies than men. The goals were to close the

gender gap in primary and secondary education and reduce the women's illiteracy by half from the level of 1990 by 2005. Another general target is to ensure free compulsory and universal primary education for all, both girls and boys and improve the adult literacy by 50 per cent by 2015.

- ***Violence against women*** has been criminalized almost everywhere, but is still increasing both at home and in new types of armed conflicts. The Special Session condemned "honour killings" and forced marriages for the first time in an international consensus document. Stronger measures were called for to eliminate "dowry related violence" and female genital mutilation, and to legislate against domestic violence in general, including marital rape and sexual abuse of women and girls. It was confirmed that violence against women and girls is a human rights issue, and thus the various forms of violence against women are human rights violations. There was also agreement to work towards the elimination of commercial sexual exploitation, as well as economic exploitation, including trafficking in women and children and female infanticide.
- ***Women and economy.*** Women's participation in paid work has risen in almost all regions of the world, and it has also spearheaded overall employment growth in recent years. Everywhere except Africa, women's employment has grown substantially faster than men's since 1980 — but usually under conditions inferior to those associated with men's employment (United Nations, 1999b). As women's employment rises, problems in reconciling employment and family responsibilities are increasingly felt, due to lack of supportive services and low participation of men in household chores.

OTHER RESULTS: MAINSTREAMING MISSING

Furthermore, some important results and outcomes achieved in these years are not recorded in the outcome document.

First, gender awareness has improved. The World Survey on the Role of Women in Development considers it a great achievement that "the conferences and summits of the 1990s and their five-yearly reviews were crucial in raising gender awareness in the world. The Survey notes that these events "had the cumulative effect of placing gender at the centre of international discourse on policymaking relating to environment, population, human rights, food security and social development" (United Nations, 1999b).

Second, the improvement of the status of women in the UN Secretariat is not recorded in the review and appraisal documents, though clear targets were set

for it in the PFA. Very rapid improvement has taken place between 1989 and 1999; the percentage of women in the UN Secretariat who hold senior and decision-making positions increased fivefold at D-1 level (from 6.4 per cent to 34.3 per cent) and almost tripled at D-2 level (from 8.2 per cent to 23.2 per cent). The great improvement is due to very radical instructions given by the Secretary-General in 1993 for "exceptional measures to recruit, promote and deploy women in the shortest possible time", and to the Strategic Plan of Action for Improvement of the Status of Women in the Secretariat (1995-2000) introduced in 1994. The latest target is to achieve parity 50/50 by the year 2000.

Early stage in his time in office, Secretary-General Kofi Annan established two important positions which enhance his cabinet's expertise in gender-related issues and its representation of women. In January 1997 he appointed Angela E.V. King, an experienced UN veteran from Jamaica, as Assistant Secretary-General and Special Adviser to the Secretary-General on Gender Issues and the Advancement of Women. In early 1998, a new post of Deputy Secretary-General was established as the highest position next to the Secretary-General, and which is understood to be held by a woman as long as the SG is a man. The Secretary General appointed Ms. Louise Fréchette from Canada as the first one to hold this post.

These recent developments are worthwhile mentioning, since many people believe that the UN itself is not very good in implementing recommendations adopted by Member States. (A/54/403, 27 Sept. 1999). The progress made in1990s regarding the status of women in the Secretariat probably beats any administration in the Member States.

Third, the outcome document definitely should have dealt with (but did not) a very important core issue which penetrates the whole PFA: the mainstreaming of a gender perspective in all policies and actions of Member States and the UN system. The recommendation for "an active and visible policy of mainstreaming a gender perspective into all policies and programmes and an analysis of its effects on women and men, respectively" is emphasized and repeated in connection with almost everyone of the twelve critical areas of concern in the PFA.

In a meeting of the UN Economic and Social Council (ECOSOC) two years after Beijing, governments approved the "ECOSOC Agreed Conclusions" (ECOSOC 1997/2). In this agreement, governments placed an obligation on the UN system to apply gender mainstreaming throughout the system. In a way, these conclusions also recognize that gender mainstreaming is an element in, and a means to integrate and coordinate, all the work of the UN system in this respect.

Also the report of the Secretary General on Review and Appraisal recalls that

"*Gender analysis was established as a*

basic requirement for mainstreaming strategy. The current situation of women and men in relation to different issues/problems and the impact of planned policies, legislation, and projects and programmes on women and men respectively — and on the relations between them — should be analysed before any decisions are made. Gender analysis should go beyond cataloguing differences to identifying inequalities and assessing relationships between women and men.... Mainstreaming also requires transformative change."(United Nations, 2000)

In the Outcome Document from UNGASS, however, there is hardly anything about mainstreaming and only a couple of passing references to gender impact assessment. The only achievement mentioned is that "within the UN system much progress has been made in the mainstreaming of a gender perspective"(para 18) and that "progress has also been made to integrate the human rights of women and mainstream a gender perspective into the UN system, including into the work of the Office of the High Commissioner on Human Rights and the Commission on Human Rights"(para 20).

Fortunately in the Political Declaration of the Special Session the governments do

"Reaffirm the importance of mainstreaming a gender perspective in the process of implementing the outcome of other major United Nations conferences and Summits and the need for a coordinated follow-up to all major conferences and Summits by Governments, regional organizations, and all of the bodies and organizations of the UN system within their respective mandates." (para 7.)

In fact, gender mainstreaming and gender impact assessment are the most far-reaching obligations set by the PFA. Naturally, they apply to each and every one of the Member States within their countries, since they adopted it unanimously for themselves in Beijing in 1995 as the core requirement of the Platform of Action. Enforcement of these obligations by making them part of the law in Member States would create an automatic mechanism for gender mainstreaming and equality which operates in all legislation and policymaking in the future. On this issue, implementation absolutely needs to be enhanced in the years to come.

GLOBAL WOMEN'S MOVEMENT BEING CREATED

Within the decades since the 1970s the mobilization of women has taken place on a world scale and with an accelerating pace, and a worldwide women's movement has been born. The NGO Tribune in Mexico City already in 1975 was described as the "largest consciousness-raising session ever held". The NGO Forum in Nairobi 1985 has been referred to as the "birth of global feminism" (UN, 2000d). The NGO Alternative Global

Report states that "as we moved beyond the 1980s, it became clear that what we had created was a global women's movement and what we had set in motion was nothing less than a revolution" (CONGO, 2000).

The global conferences of the 1990s were pivotal in the development of a politically able and astute global women's movement. "Strengthened by the three women's world conferences of 1975, 1980, and 1985, women moved to the forefront in these conferences (in the 1990s), claiming a space and voice in the resulting policies. These conferences served as training grounds for a new leadership by bringing hundreds of women into the public policy process and resulting, in many countries, in a 'critical mass' of women with political clout" (CONGO, 2000).

From the beginning, the world conferences in the 1990s were seen as constituting a global agenda for development. The governments and the UN have adopted the method of review and appraisal for an integrated and coordinated implementation of ,and follow-up to, the major United Nations conferences and summits. The next stage will be Rio+10,Vienna+10, Cairo+10, Copenhagen+10 (etc.) processes, following the completion of the five-year reviews.

The follow-up of the Beijing Conference often seems to be lumped together with all the major conferences and summits, though its purpose and nature (and the earlier women's conferences as well) were basically different from other world conferences. The women's conferences did not deal with a particular theme, but brought to the global agenda the interests and aspirations of women which have not been heard equally before.

The particular nature and importance of the advancement of women was understood in the UN system when the series of world conferences on environment, human rights, population and social development, the so-called global agenda, was planned in the beginning of the 1990s. The Secretary-General's introduction to the UN Blue Book on Advancement of Women stresses that "the goals they [the other world conferences] seek are all dependent upon the advancement of women" (United Nations, 1995b, para. 220).

FUTURE WORLD CONFERENCES ON WOMEN – WILL THERE BE ANY?

To continue the progress of the global women's movement and maintain momentum in the advancement and empowerment of women, a strong demand for holding in 2005 a new world conference on women has been expressed by the NGO community. This was voiced at Beijing+5 preparatory meetings of the ECE region in January 2000 and the Beijing+5 and of the Commission on the Status of Women in March 2000. This call also received broad support from the global NGO community gathered during the UNGASS in June 2000.

However, what the governments

agreed to in the Political Declaration adopted in the UNGASS was less specific. Its paragraph 9 agrees

> *"to regularly assess further implementation of the Beijing Platform for Action, with the view to bringing together all parties involved in 2005 to assess progress and consider new initiatives, as appropriate, 10 years after the adoption of the Beijing Platform for Action and 20 years after the adoption of the Nairobi Forward-looking Strategies"*.

What the NGOs are asking is only that the governments *specify the event in 2005 to become a world conference of a particular kind*. It would not be a replica of the Beijing, but should comprehensively review and assess how gender concerns are mainstreamed in the whole process of integrated implementation of the other major United Nations conferences and summits. The central aims of such an overarching "meta" world conference in 2005 would be to:

- review and appraise progress in the years 1975-2005 in the empowerment of women since the Mexico Conference and the implementation of and follow-up to the Beijing Platform for Action;
- assess progress in mainstreaming a gender perspective in implementation and follow-up of the other major United Nations conferences and Summits, as well as of their impact on the life of women in 1990–2005;
- develop goals and strategies to meet the needs of women arising from new global trends and enhance women's full participation in shaping the policies for integrated and coordinated implementation of the global agenda for development in the 21st Century.

In its substantial session in summer 2000, ECOSOC made the first "Assessment of the progress made within the United Nations system, through the conference reviews, in the promotion of an integrated and coordinated implementation of and follow-up to major United Nations conferences and summits in the economic, social and related fields". That assessment gives new grounds for considering what kind of major conference "on women" could best analyze the mainstreaming of a gender perspective in the whole process of the implementation of the global agenda. Such analyses were clearly not done in the series of five-year reviews of the 1990s' world conferences just conclude. Even the review of the implementation of the Beijing PFA neglected to cover mainstreaming.

Concerning the outcome of the Beijing+5 process as such, it became obvious that a GA special session would not be the effective mode of event to bring about new plans and strategies for continuing the process in the future. Another kind of a procedure is needed in order to achieve two goals: systemwide review and appraisal of women's empowerment and gender mainstreaming, for guaran-

teeing the continuation and momentum of the process; and providing a wide NGO Forum for the world's women to bring their views and aspirations into the proceedings of the global agenda in the future.

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World Social Summit: TEN BENCHMARK ISSUES

by SOCIAL WATCH

The special outlook which nongovernmental and civil society organizations generally have — pro-poor, participatory methods, putting social needs in the driver's seat — found strong expression at the 1995 Copenhagen summit and its follow-up in 2000. Pre-conference expectations and post-conference analyses of results are presented here from Social Watch, an NGO network for monitoring how governments carry out their commitments expressed at the World Summit for Social Development and the Beijing World Conference on Women.

UNDER THE AUSPICES OF SOCIAL WATCH hundreds of NGOs and civil society organizations from around the world have evaluated the implementation of the historic commitments made at the World Summit on Social Development (WSSD) in 1995. They concluded that the goals targeted are feasible, but regret to assess that efforts toward achieving them are still not enough. Promised assistance has not materialized, citizen participation is paltry, and globalization is not benefiting those who need it most.

An independent review by Social Watch shows that social indicators were progressing in over 60 countries before the financial crisis of 1998. At this pace, those countries would meet most of the WSSD goals by 2000. Yet in another 70 countries, progress is too slow to reach the goals in time. Thirteen countries are at the same level or worse off today than they were in 1990, and for almost 40 countries the data is insufficient for evaluation purposes.

The Copenhagen commitments are today more valid than ever. Further initiatives are required to implement them in the present international environment, where

macroeconomic decisions taken by nonaccountable and nontransparent bodies, often without due participation of the affected governments themselves, have dramatic impacts on the prospects of achieving sustainable development. Ten major issues were defined by Social Watch in its "Geneva Benchmark" document issued in early 1999 and later submitted to the United Nations preparatory committees and to the Geneva Summit for consideration. This paper presents an assessment of the agreements reached by the Geneva Summit against the demands set out in the "benchmark" document.

GENEVA 2000: ELEMENTS FOR AN ASSESSMENT

The Geneva 2000 special session not only included in its agenda the topic of evaluating the implementation of the Social Summit 1995 resolutions, but it was also about agreeing on "further initiatives" to put them into practice. Since the evaluation section of the final document had been agreed previously by the Commission on Social Development, not much attention was paid to it during Geneva 2000.

A COMPARISON WITH THE NGO "BENCHMARK" DEMANDS

The most comprehensive document containing common NGO demands is the "Geneva Benchmark" document, endorsed by most of the Social Watch and Development Caucus NGOs. An evaluation of the results of Geneva 2000 should logically be compared with what our expectations and demands were. The following tries to summarize the results of that analysis. A detailed list of the demands and the corresponding sections of the Geneva General Assembly resolutions, prepared by the Social Watch secretariat, will be made available later.

The Benchmark document was organized in 10 points. The highlights for each point follow.

THE PROCESS

While a more careful and detailed reading of the Geneva documents is still pending, preliminary analysis points to the conclusion that many of the NGO demands were met, except for those that frontally challenged the functioning of the international economy. Yet, all those issues (currency transactions tax, trade rules versus human rights and social development, debt, structural adjustment, lack of transparency of the Bretton Woods institutions) were intensively debated by the diplomats, highlighted by the "Alternative Summit" and the people in the streets, and widely reported by the press covering UNGASS. This is, in itself, a major achievement, particularly if we remember that at the start of the Copenhagen+5 process the developed countries, led by Japan and the US, made a major effort to restrict the debates to the three "origi-

RECENT WORLD CONFERENCES

Original Conference	Follow-up Conference
4th World Conference on Women Beijing Declaration, September 1995 "Beijing Platform for Action"	23rd Special Session of UN General Assembly New York, June 2000 "Women 2000: Gender Equality, Development and Peace for the 21st Century"
World Summit for Social Development (WSSD) Copenhagen, March 1995 "Copenhagen Commitments"	24th Special Session of UN General Assembly Geneva, June 2000 "World Summit for Social Development and Beyond: Achieving Social Development for All in a Globalizing World"
International Conference on Population and Development (ICPD) September, 1994 "Cairo Programme of Action"	21st Special Session of UN General Assembly New York, 30 June – 2 July 1999 "Key Actions for the Further Implementation of the Programme of Action of the International Conference on Population and Development"

nal issues": poverty, unemployment and social integration.

This pressure was partially successful in the case of the second section of the document (the review of the implementation), where not all of the commitments were reviewed in detail and where references to structural adjustment and other macroeconomic issues were omitted from the assessment of the implementation of the 10 commitments.

NGO lobbying made the difference that ensured that the section on "further initiatives" kept all the 10 commitments as the framework of analysis and, by dealing with them all, reaffirmed the role of the UN General Assembly as the place to debate macroeconomic issues, in spite of the attempt by developed countries to shift that debate to the forum where they prevail: Bretton Woods and the WTO or even institutions where the South is excluded all together, such as the OECD and the G8.

At the same time, the timely reaction of the NGOs against the "Bretton Woods for All" document was extremely effective in not letting it come out publicly without criticism. Finally, the very fact that all the key issues were in the agenda created the framework for the Alternative Summit to happen, bringing together for the first time a wide range of networks and coalitions, in spite of their many differences in points of

view, tactics and strategies.

The Social Watch NGOs played an important role in this process, and their high visibility during UNGASS is a recognition of their efforts. The lessons to be learned, the analysis of what could have been done better, and the definition of our future strategies should be the focus of the discussion that we are now starting, in preparation for the November assembly in Rome, where key strategies for the future are to be decided upon.

In the following sections of this paper, the NGO benchmarks are summarized on the left column, while the Conference outcomes are on the right. (Paragraph numbers of the final document are in parentheses.)

Facing the financial crisis while protecting social development

Since the WSSD, financial crisis has devastated entire regions of the planet, among them Southeast Asia, the economies in transition, and Latin America. The response to this crisis has been based largely on dogmatic economic recipes and the bailout of financial investments, despite near unanimous recognition that those policies have negative impacts on the vulnerable sectors of society, particularly women and children. Policies designed to address the financial crisis in developing countries must include the Copenhagen postulates related to social development.

NGO benchmarks	*Conference outcomes*
Monitoring and control of international flows of capital, particularly of speculative capital, is essential. This should be done through agreed international mechanisms or national measures such as the proposed currency transaction tax (CTT) or "Tobin tax".	The final document calls for "conducting a rigorous analysis of advantages, disadvantages and other implications of proposals for developing new and innovative sources of funding" (111(e)bis). The Canadian proponents of a CTT study and the UN Secretariat interpret this as providing for such a study — a major breakthrough. Debate on this involved strong NGO lobbying and wide media reporting.
The UNGASS agenda should give top priority to reformulating international financial architecture, to democratic governance and accountability of the Bretton Woods institutions and the WTO, and to assessing the social impacts of the proposed Multilateral	The political declaration pledges "to find effective, equitable, development-oriented and durable solutions to the

benchmarks (cont'd)	*outcomes (cont'd)*
Agreement on Investment (MAI). Existing initiatives for reducing the debt of certain developing countries must be speeded up, expanded and substantially improved to meet the WSSD commitment to alleviate the debt burden. Debt reduction should be delinked from structural adjustment conditionalities.	external debt and debt-servicing burdens of developing countries" (6bis), to "implement debt relief", including debt cancellation (5bis), to "reduce negative impacts of international financial turbulence" on development and even consider "a temporary debt standstill" (10) — the first such UN declaration. Its calls for "developing, strengthening and enforcing regulatory frameworks...to reduce the potential negative impact of financial operations" (10(b)) can be read as legitimizing control of capital flows. Action is mandated on debt problems of "low and middle-income developing countries", including possible debt reduction (112 (b bis), going beyond the IPF focus only on Highly Indebted Poor Countries (HIPC).

Participatory evaluation of the social impact of adjustment policies

At Copenhagen in 1995, the heads of state and government committed themselves to "review the impact of structural adjustment programmes on social development" and "to enlist the support and cooperation of ... the UN system, in particular the Bretton Woods institutions, in the design, social management and assessment of structural adjustment policies". Today, structural adjustment programmes are often "packages" with little economic and political viability, but with dramatic consequences. In many developing countries, administrative and fiscal reforms and the reform of the state have favoured corruption, weakened control, destroyed productive capacity, increased unemployment, degraded public social services and failed to improve state efficiency.

After the WSSD, the World Bank announced some policy changes and started joint evaluations with government and civil society in some countries (the Structural Adjustment Participatory Review Initiative — SAPRI). Based on these evaluations, the initial view of civil society representatives is that those policies have not so far

been modified on the ground, and their impacts on various sectors and population groups have been grave. The International Monetary Fund (IMF) is particularly slow in introducing changes in the agreed direction.

The social, political and institutional instability created in economies struggling for survival is not conducive to advancing goals of sustainable development, respect for human rights and equality. The enabling environment essential to fulfil the promises of global UN conferences has come under severe attack from a range of forces. Globalization and fiscal austerity policies have cut public spending and services without denting the debt burden of poor countries. Economic reform policies have led the state in rich and poor countries alike to withdraw from its role as primary provider of social services. This is of particular concern in the adjustment packages IMF has initiated and supported in response to the global financial crisis.

NGO benchmarks	*Conference outcomes*
The Special Session should take note of the studies showing that many countries which did not apply standard adjustment recipes have achieved better levels of social development and a better position to deal with the financial crisis than those who did. The Special Session should again recommend participatory evaluations — involving UN agencies, governments and civil society — on the social impact of adjustment aiming to reformulate economic reform strategies. It should recommend that effective, gender-sensitive measures be implemented to protect the livelihoods and human rights of persons living in poverty, particularly women.	The final document sought "improved efficacy of structural adjustment programmes and fulfillment of social development goals" (105bis); "participatory mechanisms" for assessing "the social impact of structural adjustment programmes and reform packages", aimed at "mitigating their negative impact and developing policies to improve their positive impact on social development goals." Such assessments might involve the UN system, including Bretton Woods institutions, regional development banks and organizations of civil society (106). Structural adjustment programmes should take account of gender issues (107bis). NGOs lobbied to add participatory assessments in the text and keep the reference to "negative impacts" of structural adjustment.

The commitment to eradicate poverty

Governments committed themselves at WSSD to set target dates for the eradication of poverty. However, at present very few countries have set national targets. Other shortcomings include:

- Information on poverty levels and current national plans is frequently outdated and insufficient, which makes evaluation of advances and setbacks very difficult.
- The absolute number of poor people has increased, and in many countries the relative number of poor people has also increased.
- The feminization of poverty continues;
- For many developing countries, recessive economic policies and the lack of an "enabling economic environment" will result in an increase of poverty, even in economies that previously succeeded in reducing the number of poor people, as in Southeast Asia.

NGO benchmarks

The Special Session should call for an Intergovernmental Negotiating Committee to prepare a Convention to Eradicate Poverty, recognizing four basic premises about poverty:

- Poverty is in itself a violation of the social, economic and cultural human rights of the affected populations, as defined by the Commission on Social Development;
- People living in poverty are more prone to be victims of violations of their civil and political rights;
- Poverty results from a complex interaction of domestic and international causes;
- The persistence of poverty in a world that has the resources to provide for the basic needs of all is a threat to international peace and security.

Conference outcomes

The final document agreed on a less precise formulation of the 2015 goals. It falls short of starting a process towards a convention, though such might result from the "global campaign to eradicate poverty" it recommends (128). Countries are urged to "place poverty eradication at the centre of economic and social development, and build consensus with all relevant actors at all levels on policies and strategies to reduce the proportion of people living in extreme poverty by one half by the year 2015." (24). It calls on countries that have not yet done so to incorporate targets for combating poverty in their national development strategies (27). Included are recommendations for "ensuring a gender equality perspective at all levels," for "measures to counteract the feminization of pover-

benchmarks (cont'd)	*outcomes (cont'd)*
The Special Session should urge each country to define specific goals of reducing poverty to at least half the values of 1993 by the year 2015, according to national standards, with a reduction of no less than one-third by 2010. We urge that all countries, with participation by civil society, produce annual national reports on poverty, prepare current plans, and evaluate the results.	ty," and for promoting participatory poverty and social impact assessments, which include sex, age, relevant socio-economic categories, and definition of "the extent and localization of poverty and the groups most severely affected, in order to design anti-poverty strategies" (27bis (n) and (o)).

Gender equality and equity

The Copenhagen, Cairo and Beijing conference agreements stress the need to achieve equality and equity between men and women and protect and promote women's human rights. So far, over 100 countries have informed the UN Secretariat about their national action plans, but advances are slow and erratic. Many studies have detected a growing "feminization of poverty", particularly in developing countries. Structural adjustment and economic globalization do not affect men and women equally and, in many cases, have intrinsic discriminatory effects on women:

- The shift in credit decision-making from conventional banks to stock exchanges means big corporations having easier and cheaper access to credit, and discriminates against small, medium and family businesses where women tend to have more decision power.
- Unemployment affects women more than men, reducing their employment opportunities and increasing domestic violence related partly to high male unemployment rates.
- Labour market and other economic and sociocultural discrimination against women and girls continues.
- The growing burden of poverty on women and girls places increasing pressure on them to earn incomes in dangerous occupations where they are vulnerable to trafficking, violence and abuse of human rights, including their sexual and reproductive rights.
- Women and girls bear most of the burden of reduced social expenditures which increase gender inequalities in access to services and require women to compensate with additional unpaid work in caring for the vulnerable.

NGO benchmarks	*Conference outcomes*
The Special Session should call on governments and United Nations agencies to further advance studies aimed at recognizing the unpaid work of women in the national accounts and to include the gender dimension in the evaluation of the social impact of structural adjustment. At the same time, the Special Session should recommend that international bodies adopt and strengthen gender policies in their programmes and institutional management. Targets should be established to eliminate gender disparity in primary and secondary education no later than 2010. The Special Session should call on governments to ensure that the agreements reached at the Cairo and Beijing conferences are fully implemented.	Not all points were covered, and targets were included, but with different dates. The final document calls for implementing the results of the Beijing+5 session. Support should go to national efforts to close the gender gap in primary and secondary education by 2005 and ensure "free compulsory and universal primary education for both girls and boys by 2015" (71). International, regional and national efforts were recommended to develop and use "gender-related analysis and statistics", including by helping national statistical offices desegregate data by sex and age, formulate gender-sensitive indicators for monitoring and assessing impact, and make regular strategic surveys (72). Governments should fully implement Copenhagen and Beijing agreements — with time-bound targets, measurable goals and evaluation methods, including "gender-impact assessments," and "full participation of women for measuring and analyzing progress" (72). Gender issues should be "taken into account in the formulation and implementation of structural adjustment programmes" (107).

Equity and universal access to basic health care and education

The Copenhagen agreement committed governments to achieving universal and equitable access to education and health, but it is still far from being attained in most African and other least developed countries (some are sliding backwards). Adult illiteracy continues to be a problem in most developing countries. Goals of extending

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access and improving quality in health services, including universal access to reproductive health services, are not being met. Child mortality has grown in Balkan and other eastern European countries, Latin America and Africa. The goal of universal access to reproductive health services is far from being fulfilled.

In the 1990s, governments started implementing reforms designed by the World Bank and other donors aimed at improving the cost effectiveness of public health systems and introducing market principles of efficiency and viability. This new reality competes against human rights and social justice goals envisioned at UN conferences, especially at Cairo. Market reforms imposed on top of economic crises have dealt public health services a body blow in countries undergoing difficult economic transition. Cost-recovery measures such as user fees and other privatization trends have sharply reduced access to health services by the poor, and women in particular.

NGO benchmarks	*Conference outcomes*
1) Health: The Special Session should urge governments to ensure that selective use of user fees, social marketing, cost-sharing and other forms of cost recovery do not impede access to services and are accompanied by adequate social safety net measures. It should call for an increase in official development assistance for basic health care, health education, and major diseases such as malaria, HIV/AIDS and others WHO identifies as having major impact on health and highest morbidity and mortality rates. It should recommend providing prompt and necessary resources to deal with the severe impact of the HIV/AIDS pandemic on vulnerable populations, women and young people in particular.	The final document calls for access to health care for all. "Make basic health services available to all members of society and, where appropriate, explore the possibility of promoting nonprofit community-based health insurance programmes among possible methods to support the Government to promote accessible primary health care for all." (74) It also addresses the threat posed by various infectious diseases. "Take all appropriate measures to ensure that infectious and parasitic diseases, such as malaria, tuberculosis, leprosy and schistosomiasis, neither continue to take their devastating toll nor impede economic and social progress; and strengthen national and international efforts to combat these diseases, inter alia, through capacity building in the developing countries with their cooperation (75).

benchmarks (cont'd)	*outcomes (cont'd)*
2) Education: The Special Session should initiate efforts toward a Global Action Plan for Education, consistent with the resolutions of the 1990 Conference on Education for All in Jomtien, Thailand, which targeted 2015 for achieving universal access to primary education in all countries. Education programmes should promote local cultures and languages, respecting and protecting those of indigenous peoples.	The final document stresses equal educational opportunities for girls and boys. "Increased efforts are needed to provide equal access to education, health, and social services and to ensure women's and girls' rights to education and the enjoyment of the highest attainable standard of physical and mental health and well-being throughout the life cycle, as well as adequate, affordable and universally accessible health care and services, including sexual and reproductive health, particularly in the face of the HIV/AIDS pandemic; they are also necessary with regard to the growing proportion of older women." (73)
3) Cairo Programme of Action: The Special Session should call on governments and agencies to ensure that the Cairo targets are fulfilled. Goals should also be set to: • reduce infant and under-5 mortality by two-thirds of 1990 values by 2015 (and by no less than one-third by 2010); • reduce by three-quarters the 1990 maternal mortality rates by 2015 (and by no less than one-half by 2010); • universalize access to health, safe water and sanitation by 2015.	The final document responds to these and related concerns, calling on governments to "Ensure that the reduction of maternal morbidity and mortality is a health sector priority, and that women have ready access to essential obstetric care, well-equipped and adequately staffed maternal health care services, skilled attendants at delivery, emergency obstetric care, effective referral and transport to higher levels of care when necessary, post-partum care and family planning in order to, inter alia, promote safe motherhood, and give priority attention to measures to prevent, detect and treat breast, cervical and ovarian cancer and osteoporosis, and sexually transmitted infections, including HIV/AIDS." (73)

Promoting the development of Africa and least developed countries

The Social Summit committed countries to accelerate the economic, social and human development of Africa and the least developed countries. But most African and relatively least developed countries have made little progress, and many are worse off than in 1995. The poorest countries owe an estimated US$371 billion in external debt, and also face acute levels of human and environmental distress. Policy reforms that curtail public expenditure have deepened poverty and inequity in developing countries.

NGO benchmarks	*Conference outcomes*
We urge that these countries be considered exceptions in debates about finances and trade, and that unilateral privileges and preferential treatment be granted them. Without energetic and efficient action to cancel or reduce these countries' debts by creditor countries and the multilateral financial institutions, African and least developed countries will be condemned to stagnation and "social recession".	The final document falls short on these points without completely ignoring them. It calls for "promoting an enabling environment" for the "integration of Africa and the LDCs into the global economy" and "their participation in the multilateral trading system." It foresees providing debt relief that "can lead to a sustainable solution to their debt burden;" improving market access for their exports, including "tariff- and quota-free treatment for essentially all products originating in least developed countries on as broad and liberal a basis as possible;" and helping them "take full advantage of the multilateral trading regime" on a bilateral basis, and multilaterally through WTO, ITC, UNCTAD and other regional/subregional economic organizations. (87)

Increase of resources for development

At Copenhagen, governments committed to augmenting resources for social development by increasing development aid to 0.7 per cent of GDP, increasing aid for basic social services (BSS), and making support for BSS a greater percentage of total public expenditure. Yet, Official Development Assistance (ODA) is today at its lowest

level historically, in both absolute and relative terms, and the world's richest countries (members of G7) are the most delinquent, despite OECD countries' commitment to WSSD goals in their "Shaping the 21st Century" document (May 1996), and despite the easy availability of massive resources for war.

NGO benchmarks	*Conference outcomes*
It is necessary to restate the agreed goals and set deadlines for achievement no later than 2010. We also urge the implementation of the Hanoi Conference referring to the 20/20 commitment and the quality of aid. The Special Session should recommend that, if reductions of public expenditure are agreed as part of adjustment strategies, social expenditure should not be adversely affected.	The final document reaffirms these targets from previous conferences, but does not set dates for achievement by developed countries. It calls for fulfilling the 0.7 per cent ODA target "as soon as possible" and encourages "donor and recipient countries, based on mutual agreement and commitment, to fully implement the 20/20 initiative...to ensure universal access to basic social services" (112).

Full employment and sustainable livelihoods

At Copenhagen, full employment was set as a basic priority for policymaking, yet job creation has been insufficient. In many developing countries, the dismantling of the state and the priority given to economic sectors that are not labour-intensive have resulted in a growing loss of jobs, with no alternative mechanisms for income creation. In countries where employment is the major source of "social protection", loss of jobs has wider consequences than just the economic ones: it generates "pockets" of social disintegration that are fast in appearing and difficult to eliminate. The recessive scenario that most developing countries now face in the wake of financial crisis is a scenario of growing unemployment.

NGO benchmarks	*Conference outcomes*
The goals of creating dignified jobs and combating unemployment must be agreed upon, with well-defined deadlines and actions, and macroeconomic policies must be modified to accommodate these goals.	The Special Session agreed, without setting deadlines, that countries would "reassess, as appropriate, their macroeconomic policies with the aims of greater employment generation and reduction in the poverty level, while striving for and maintaining low inflation rates" (34).

Targets and reviews

The establishment of precise goals and deadlines was one of the most positive outcomes of the Copenhagen Summit. It helped generate political will and monitoring mechanisms that are essential to fulfilling the goals. Since many of these goals had the year 2000 as their horizon, the Special Session was to set new target dates.

The availability of specific (including gender-specific) social development indicators is inadequate. Because desegregation along ethnic lines is lacking, it is impossible to assess the damage caused to indigenous peoples by structural adjustment.

NGO benchmarks	*Conference outcomes*
The Special Session must agree on new goals for all countries — not just developing ones — with deadlines not later than 2015 and with intermediate deadlines (2005 and 2010) so that progress can be assessed. It should recommend measures to guarantee the gathering and publication of gender and ethnic indicators and to stimulate national reporting on progress towards them. It should encourage governments to clearly identify the institutional mechanisms to review, with the participation of civil society, the implementation of the Copenhagen commitments. A new General Assembly Special Session to review the WSSD commitments and the further initiatives agreed upon in Geneva should be convened in the year 2005.	The reaffirmation of the Copenhagen goals and commitments and the need to improve statistical work are addressed in many parts of the Geneva Declaration. But the possibility of a new Social Summit, high-level meeting or other mechanism for a midterm review between 2000 and 2015 was delayed for later consideration.

Trade and investments: the international enabling environment

Since international trade and investments are key components of an enabling economic environment for social development, the Special Session should verify that the WTO has not complied with the request made in Copenhagen to survey the social impacts of the Uruguay Round of trade negotiations, and instead entrust the survey to UNCTAD.

NGO benchmarks

The Special Session should strengthen the work of such UN bodies as ILO, WHO, UNICEF, UNIFEM and the Human Rights Commission in promoting human rights and the specific rights of workers, women and children, setting standards and improving enforcement mechanisms. It should discourage trends to empower trade and financial organizations to impose conditionalities on developing countries through social clauses.

Countries should work to ensure that international direct investments have a positive social impact, require specific social performance targets from foreign investors, and define and implement policies for establishing joint ventures, promoting income distribution in favour of underprivileged areas or social groups, and protecting small business from unfair competition by big foreign corporations.

The Special Session should take note of the resolution of the Human Rights Commission subcommittee on the incompatibility between human rights obligations, particularly economic, social and cultural rights and WSSD commitments on the one hand, and the proposals for a Multilateral Agreement on Investment (MAI) on the other hand. It should urge governments to bear those commitments in mind at the

Conference outcomes

Debate on the social impact of the WTO trade rules centered on a draft introduced by South Africa, saying that human rights and health considerations should prevail over trade-related Intellectual Property Rights (IPRs) for transnational pharmaceutical corporations, so as to make possible affordable access to essential medicines. The final version does not challenge WTO rules, but recognizes "the right of everyone to the enjoyment of the highest attainable standards of physical and mental health" and to "access to essential medicines at affordable prices." It notes that IPRs contribute to drug research, development and distribution of drugs and should also "contribute to the mutual advantage of producers and users of technological knowledge" and to "social and economic welfare." It left Member States free "to protect and advance access to lifesaving, essential medicines", consistent with national laws and international agreements (80), and to "analyze the consequences" of agreements in relation to "health needs of people living in poverty" (82).

The "no new round" demand was settled in Seattle last December by the opposition of many Southern governments and people on the streets. The final documents are highly critical of globalization, but no criticism of the WTO was includ-

benchmarks (cont'd)	*outcomes (cont'd)*
time when they instruct their negotiators in trade forums. It is also recommended that no new "Millennium" round of trade negotiations be initiated until the social impacts of the Uruguay Round — many of whose measures favouring developing countries have not even begun to be implemented — have been analysed and acted upon.	ed because the US, Japan and the European Union were opposed. Dissatisfaction of many Southern governments led to dropping mention of the Secretary-General's "Global Compact" between the UN and transnational corporations (launched in July). The document introduced the concept of corporate social responsibility, noting that "corporations must abide by national legislation" and should contribute to "social development goals" which interrelate with economic growth. To this end, countries should provide a "just and stable policy framework" to stimulate private sector initiatives and enhance "partnerships with business, trade unions and civil society", in support of the Copenhagen goals (16).

OPPORTUNITIES, DAMAGES AND COSTS

Some critical commentary concerning globalization, trade, debt, structural adjustment and technological issues is given in the final document of the UN General Assembly Special Session on the actions taken and needs arising since the 1995 World Summit on Social Development:

- "Since the Summit, globalization has presented new challenges for the fulfillment of the commitments made and the realization of the goals of the Summit. Globalization and interdependence have provided many beneficial opportunities, but have also involved potential damage and costs. If anything, these forces have accelerated and often strained the capacity of Governments and the international community to manage them for the benefit of all."
- "Economic growth has been impressive in some places and disappointing in others. Current patterns of globalization have contributed to a sense of insecurity, as

some countries, particularly developing countries, have been marginalized from the global economy. The growing interdependence of nations, which has caused economic shocks to be transmitted across national borders, as well as increased inequality, highlights weaknesses in current international and national institutional arrangements and economic and social policies, and reinforces the importance of strengthening them through appropriate reforms. There is wide recognition of the need for collective action to anticipate and offset the negative social and economic consequences of globalization and to maximize its benefits for all members of society, including those with special needs."

- "For most developing countries, the terms of international trade have worsened and inflows of concessional financial resources have declined. The high-debt burden has weakened many Governments' capacity to service their increasing external debt and eroded resources available for social development. Inappropriate design of structural adjustment programmes has weakened the management capacity of public institutions as well as the ability of Governments to respond to the social development needs of the weak and vulnerable in society and to provide adequate social services."
- "Globalization and continuing rapid technological advances offer unprecedented opportunities for social and economic development. At the same time, they continue to present serious challenges, including widespread financial crises, insecurity, poverty, exclusion and inequality within and among societies. Considerable obstacles to further integration and full participation in the global economy remain for developing countries, in particular the least developed countries, as well as for some countries with economies in transition. Unless the benefits of social and economic development are extended to all countries, a growing number of people in all countries and even entire regions will remain marginalized from the global economy." □

From Population to Reproductive Health: Finding a New Yardstick

by BALLA MUSA SILLA

Building community services which cover the real full range of people's reproductive health needs and choices, not just family planning, is still a new and complex idea for many developing countries. That places a premium on exchanging experience South-South about how to organize and manage such services, and on convincing many agencies both in developing and donor countries to support such cooperation. These needs and some suggested responses are discussed by Balla Musa Silla, Executive Director of Partners in Population and Development, an intergovernmental organization created in 1994 for the purpose of expanding and improving South-South collaboration in the fields of reproductive health and family planning.

BY THE END OF THE 20TH CENTURY, a growing number of developing countries had achieved demographic success, if their performance was measured by the standard population yardstick of the 1950s. Over the previous three decades population growth in developing countries had slowed from 2.4 to 1.3 per cent, contraceptive prevalence had increased, coverage of family planning services had

expanded, and women were having fewer children than ever before. However, despite these gains, it was increasingly apparent in the late 1980s that the standard demographic approach was not measuring what really mattered. Really meaningful measures would be whether: couples could have only wanted children; children are being born in healthy circumstances; women are able to avoid unwanted pregnancies and to give birth in health and safety; men and women, including adolescents and other special groups, are preventing the harmful consequences of unsafe or irresponsible sexual activity.

At the International Conference on Population and Development (ICPD) held in Cairo in 1994, participants threw out the demographic, goal-oriented approach. Instead, they favored a more holistic understanding of reproductive health as a right which favors individual choice. Although the ICPD Program of Action contains a few hundred recommendations in the areas of health, development and social welfare, its central tenet is that responding to the needs of individuals will help solve the aggregate problem of rapid population growth and equitable development. As simple as this sounds, it implies major changes in health and population policies and programs. The shift from a target-oriented to a rights-based strategy requires reorienting health services to focus on clients' needs and preferences. Clients often prefer integrated services where many reproductive health services were available, not just family planning services. To attract clients and keep them coming back, service providers had to improve the quality of care.

Best results in health-population programs come from improving the status of women, reducing infant and maternal mortality, and providing high-quality integrated services in a setting of trust, respect and openness.

This shift in approach reflected what was already proven to be working in some countries. The best results came from improving the status of women, reducing infant and maternal mortality, and providing high-quality, integrated services in a setting of trust, respect, and openness. Given that some countries already had considerable expertise with a broader reproductive health approach, it also seemed logical that participants would support the idea that "more attention should be given to South-South cooperation as well as to new ways of mobilizing private contributions" as ways of supporting the implementation of the ICPD program of action. At the Special Session of the UN General Assembly, the role of South-South cooperation was further elaborated:

"External funding and support, from

donor countries as well as the private sector, should be provided to promote and sustain the full potential of South-South cooperation, including the South-South initiative 'Partners in Population and Development', in order to bolster the sharing of relevant experiences, and the mobilization of technical expertise and other resources among developing countries. Updated information on institutions and expertise available within developing countries in the area of population and development, including reproductive health, should be compiled and disseminated" (paragraph 88, A/S-21/5/Add.1).

THE UNFINISHED REPRODUCTIVE HEALTH AGENDA

For the most part, the political consensus achieved at the International Conference on Population and Development in 1994 has persisted, although disagreements remained on how to address sensitive subjects such as abortion and adolescent sexual and reproductive health. In 1999, at the mid-point review of progress on the reproductive health agenda outlined at Cairo, most countries reaffirmed their commitment to work toward the goal of ensuring universal availability of reproductive health services, primary education for all, and rapid reduction of maternal, infant and child mortality by 2015. In light of new realities and new research, countries also agreed to eliminate the gap between the number of people currently using contraceptives and the number expressing a desire to space or limit their families but not currently doing so, also known as "unmet need", and to reduce global prevalence of HIV infection in persons 15 to 24 years of age by 25 per cent.

While reaffirming the position on abortion adopted at ICPD, five years later at the UN follow-up conference to ICPD "there was still no clear agreement on an expanded right to abortion, except that where legal, abortion should be not only 'safe' but also 'accessible'. Participants tried to strike a balance between "the rights, duties and responsibilities of parents" and "the evolving capacities of the adolescents" and "their right to reproductive health education, information and care," but the discussion reflects the continued ambivalence in some countries and regions to explicitly address adolescents' needs.

Despite considerable progress on the ICPD agenda, much remains to be done to meet reproductive health needs. Throughout the developing world, too many women who wish to limit or space their children's births cannot; too many women die because of pregnancy-related complications; and too many people suffer the consequences of sexually transmitted diseases such as HIV/AIDS (see details in box, "ICPD – The Unfinished Agenda"). However, the demographic and health challenges confronting developing countries now are far more complex than simple declines in total fertil-

ity rates. To address them requires mobilizing considerable resources — strong institutions, capable and skilled professionals, political will — and tackling sensitive social and cultural issues.

What is needed are approaches to reproductive health that focus on meeting individuals' needs and desires. Knowledge and understanding of such approaches need strengthening so as to help promote their wider adoption and refinement. Often this means an integrated service delivery strategy, refocusing information-education-communication and counselling functions, and stressing client-centered services and policies. The added challenge is to make these approaches directly applicable in different national, religious and cultural settings. This entails rethinking how health services that have not traditionally been provided together — such as family planning, maternal care, and prevention and treatment of reproductive tract infections — can be integrated or reorganized so that clients find the services they need are available to them in a manner which they want. Providing consistently high-quality reproductive health services presents another, related set of challenges; direct services, information systems, logistics and supplies, and staff must all be realigned toward meeting users' needs.

Another area where progress is slow is in the broad domain of developing institutional and policymaking capacity, as the ICPD+5 experience has clearly documented. Many reproductive health issues touch on sensitive social and cultural values, making these issues difficult to tackle. At a policy level, the political will to address reproductive health concerns often remains shallow or fragile — especially and understandably where religious and cultural sensitivities mitigate against overt action. These are also issues that in the past have proved to be highly sensitive to outside influence, if not completely intractable.

Institutions responsible for service delivery have experienced shortfalls because of these constraints and because of the organizational complexity of adopting an integrated reproductive health approach. The shortfalls include insufficient commitment of human and financial resources and failure to maximize the available knowledge, data and understanding available. In many countries, the processes of policymaking and programme implementation require further strengthening to ensure full and effective participation and accountability across civil society.

Within governments and public health services, organizational development has only recently been given the sustained attention it deserves. At this point, while there is undoubtedly much unfinished business, it seems that the question is not whether countries will continue to make progress on the ICPD agenda, but how?

ICPD – THE UNFINISHED AGENDA

Millions of couples and individuals still lack access to reproductive health information and services. An estimated 100 to 120 million women who currently wish to space or limit further childbearing are not using contraception. Despite this potentially high demand, these needs go unmet for a variety of reasons, including, but not limited to, lack of knowledge or choice of methods, lack of access to quality health services, prevailing attitudes or beliefs among service providers, community or religious leaders, or others, lack of institutional capacity to provide good services, and lack of political commitment to meeting reproductive health needs, including family planning methods and services.

Maternal mortality and morbidity remain unacceptably high. According to the World Bank, the leading cause of death and disease for women between 15-44 years of age is pregnancy-related illness. In fact, almost 10 percent of the global burden of disease in the developing world is due to maternal and perinatal conditions. The causes of maternal mortality are myriad, but lack of access to prenatal and delivery services, particularly in instances of complications during childbirth and the consequences of unsafe abortions are major factors.

Sexually transmitted infections including HIV/AIDS present a growing health threat. The prevalence of STDs is rising in many countries. WHO estimates there are 333 million new treatable cases every year. In many countries, HIV has reached epidemic proportions, creating significant adverse effects on health and economic development prospects. 34 million people are now living with HIV/AIDS, 95 per cent of whom live in developing countries. Women account for half of new infections, and deaths from AIDS have left more than 11 million orphans globally.

Adolescents remain particularly vulnerable to reproductive and sexual risks. Lack of access to the sexual and reproductive health information and services they need is particularly pronounced among hard-to-reach populations like adolescents. Globally over 1 billion young people are entering their reproductive years; WHO estimates that more than 14 million adolescents give birth each year and 4.4 million abortions are sought by adolescent girls. Rapid social and economic changes are posing new challenges to society and the family in preparing young people. Traditional practices such as early marriage, and the expectation of early childbearing, remain clear evidence of a widespread prej-

udice against girls and young women. Harmful traditional practices such as female genital mutilation affect 2 million girls and young women each year.

Women and the girl child continue to face discrimination. Women and girls' disadvantaged position in many societies has limited wider use of reproductive health services and methods. From childhood through adult life, women in many cultures get less: less food than their brothers, fewer years of formal education, fewer opportunities to work for remuneration, and less freedom to move around outside their homes. One consequence of this persistent discrimination is that women lack the confidence or authority to make decisions about their reproductive needs, including whether or not to use contraceptives.

Financial commitments have been less than expected. The ICPD program of action was estimated to cost $17 billion in 2000. Of that two-thirds was to come from developing countries and up to one-third from more developed or donor countries. So far, both are falling short on their estimated share: donor countries are providing only about $2 billion, and a small number of developing countries (China, India, Indonesia, Mexico) account for most of the $7.7 billion annually from domestic resources.

MEETING THE REPRODUCTIVE HEALTH CHALLENGE: LESSONS FROM THE PAST

Developing countries by definition do not have the resources available to developed countries to experiment with many different ways to provide high-quality, integrated health services in the time frame specified at ICPD. Therefore, policymakers and program managers must develop the best approaches possible given the demands of the environment and their available resources and capacity. When it comes to responding to sensitive cultural and social issues such as adolescent reproductive health needs or responding to HIV/AIDS, the models and approaches of the developed world may also be neither appropriate nor acceptable in the developing world.

For some seasoned family planning professionals, the challenges of responding to HIV/AIDS involve similar attitudinal obstacles. As with many issues related to family planning methods, policies and programs in the 1960s and 70s, the main barriers to successfully tackling the AIDS epidemic are the many contradictions in people's attitudes towards sex and sexuality. In the past, when international actors tried to address issues related to these topics, they were often accused — rightly and wrongly — of cultural insensitivity and their motives were suspect, which often complicated progress. It is clear that personal sexual attitudes and behaviors are

SOUTH-SOUTH COLLABORATION IN HEALTH: TOWARDS A DEFINITION

South-South collaboration means many things to many people. However, a common element of almost all working definitions of South-South cooperation in health is the use of the skills and expertise of developing country professionals in technical assistance, training or other activities which aim to facilitate transfer of knowledge. South-South exchanges take place between individuals and other individuals or groups, between national and regional government agencies, between NGOs, and through a combination of these entities. Collaboration involves a range of activities for sharing this technical expertise. Many of them are not so dissimilar from assistance from Northern institutions: study tours, regional conferences, meetings, workshops, seminars, training. These activities may be long- term or short-term; move through distance-learning, internet or computer-based channels; provide for interactive exchange using new technologies such as e-mail, or for dissemination of print and audiovisual material; or involve shared research, joint projects or the creation of regional centers of excellence to serve as model centers.

Some of the most successful examples of effective South-South exchange have shared certain characteristics: they are planned exchanges, not ad hoc activities; there is political, technical and operational commitment at several levels, ensuring that lessons learned from South-South exchange can be integrated by other organizations; and partnerships are developed as long-term arrangements between governments or NGOs based on mutual commitment and understanding of needs and interests.

driving the AIDS epidemic. Yet there remains a general reluctance to openly discuss sex and sexuality, even in the face of a growing epidemic. This issue must be included in any successful HIV/AIDS prevention program.

Although there are certainly variations in the social norms which determine the spread of AIDS in developing countries, many shared cultural characteristics are conducive to high-risk behavior or may discourage people from adopting behaviors which make them less likely to contract HIV. HIV is likely to spread more widely where multiple, concurrent sexual partnerships are the norm. Social norms and peer pressure that encourage men to use prostitutes or that venerate men with many female partners while placing a high value on female chastity create the conditions for a severe HIV/AIDS epidemic.

Efforts to encourage condom use among married couples for HIV prevention is difficult in countries where people want large families and a woman's social status and economic well-being increases with the number of children she has. This is largely the case in developing countries, where the benefits of increased condom use among married couples in suppressing the HIV/AIDS epidemic would be greatest.

Poverty also restricts people's decisions about behavior which makes them vulnerable to HIV infection. Those with low incomes may not be able to afford to treat STDs or buy condoms. Poor families may see sex work as a profitable occupation for young and poorly educated daughters. Those with less education may have limited access to information about the dangers of high-risk behavior or be less able to understand prevention messages. This explains why those most likely to contract STDs and other infectious diseases are invariably the poor and uneducated.

Addressing these cultural norms is unlikely to be a short-term effort, and will require the widespread internalization of new attitudes and behaviors on a sufficiently large scale. While external influences can play a powerful role in this process, developing country leaders and communities who are striving to effect changes to the cultural determinants of the spread of AIDS must take center stage.

Indeed, until policymakers in developing countries adopt a more realistic approach to HIV/AIDS, little progress will be made. Despite the personal, social and economic catastrophes that the AIDS epidemic creates in developing countries, policies and programs to slow the spread of HIV are woefully limited and largely ineffective. Many countries still lack strong, sustained and unambiguous political support for safer sexual behaviors, such as the use of condoms and sex education for young people. Domestic public expenditures on AIDS prevention are minimal and stable in most countries. However, there are signs of hope in a few countries and a few communities; it is this hope which must be capitalized upon.

Those most likely to contract sexually transmitted and other infectious diseases are invariably the poor and uneducated.

Uganda, Senegal and Thailand stand out as countries that have made good progress in responding to AIDS. While other developing country countries continued to deny that AIDS was their problem, these countries encouraged a more honest dialogue about the causes and transmission of AIDS. The willingness of political leaders to speak out about AIDS reduced the social stigma associated with the disease and encouraged individuals and NGOs to respond

to the epidemic without fear of popular criticism. This also provided the foundation for acceptance of external financial and technical support which was offered by donors to combat the epidemic.

Organizations in these developing countries and others that have been proven effective in addressing HIV/AIDS have a lot of offer. For other countries to learn from these experiences and adapt them to their own reality is not trivial, but it can be done. The case of Bangladesh and Indonesia is one example of a highly effective exchange between two countries.

BANGLADESH-INDONESIA EXCHANGE: A LESSON IN HOW TO RESPOND TO HIV/AIDS?

This exchange took place over 11 years and involved almost 700 Bangladesh participants. The experience is well documented and was evaluated both at mid-course (with resulting reshaping) and following its conclusion. The findings are that this experience demonstrates the potential of South-South cooperation to deal with sensitive social issues which affect reproductive health programs, and to strengthen those programs and lead to sustained improvements.

In the 1980s, the Indonesian program was rapidly gaining recognition as one of the most successful population programs in the world. At that time, since Bangladesh and Indonesia shared some common political and social characteristics, it appeared that some of the Indonesian experiences could be relevant for Bangladesh. Therefore, national officials and an international donor began to experiment with visits of Bangladeshis to Indonesia to observe their program in action.

Between 1980 and 1982, more than 300 family planning officers from thanas (sub-districts) in Bangladesh visited Indonesia to learn about its family planning program. Through this training activity, they were expected to return to Bangladesh and carry out some of the innovations they had observed, specifically to develop locally managed family planning programs. However, an evaluation showed that despite their enthusiasm and high motivation at the end of their trips, they returned to their thanas and found it very difficult to introduce what they had learned. They were impeded by a lack of understanding and support from within the thanas and from officials at higher levels. The report of this experience stated that "...within a few months, most retained warm memories of their visit to Indonesia, but little else."

The Bangladesh-Indonesia experience demonstrates the potential of South-South cooperation to strengthen reproductive health programs and deal with sensitive social issues which affect them.

The evaluation brought an unexpected benefit for the National Family Planning Coordinating Board of Indonesia (BKKBN) which coordinated the Bangladesh observational study tours. Before 1987, the BKKBN training program had conducted study tours without planned curriculum or clear procedures for managing the event, and with personnel assigned on an ad-hoc basis with no continuity. The evaluation findings prompted BKKBN to look closely at its own training procedures. Its training staff conferred with the Bangladeshis to determine their needs, developed appropriate training materials, and visited field sites ahead of time to prepare them for their role in the study tours. They then institutionalized the new approach in BKKBN's international training program, which continues to conduct study tours for participants from other developing countries.

In the case of Bangladesh, the results were remarkable. In 1987 the Ministry of Health and Family Welfare initiated a formal series of observational study tours to Indonesia through a USAID-funded project. From 1987 to 1993, a total of 392 people from 51 thanas and the Ministry directorate in Dhaka visited Indonesia on these study tours organized by BKKBN.

The Bangladesh participants were population program officers, community leaders, policymakers and representatives of NGOS. Their visits to Indonesia were three-week team programs for observing the Indonesian program in action, learning important lessons about the causes of success, and assessing whether and how these factors related to circumstances at home. Together the team then developed action plans focused on how lessons learned in Indonesia might be adopted or adapted in Bangladesh.

While many factors contributed to the success of the family planning program in Bangladesh, the impact of these visits to Indonesia on the Bangladesh program was significant. According to an external evaluation of the program (Howlader and Chakma, 1997), there were at least three positive outcomes for Bangladesh:

- Participation in these study visits contributed to the knowledge and understanding of participants. This means that they returned home better equipped to assess people's needs and interests, shape the goals, methods and activities of their programmes, and carry out their functions.
- Lessons were learned about the role, process and importance of community participation, enabling participants to develop appropriate ways of promoting it in Bangladesh programs.
- Observing Indonesian experience helped the Bangladesh participants to encourage the use of women as volunteers in their programs.

Now, in turn, Bangladesh also engages in South-South exchange, sharing with other countries how it has adapted the

lessons learned. Today, people from countries as diverse as India, Kenya and the United States are adapting the Bangladesh experiences and approaches to use in their own countries.

Obviously, in the post-ICPD world, the areas for exchange have changed, but the need is still just as pressing. When it comes to remaining challenges in providing integrated, high-quality reproductive health services, reducing maternal mortality, responding to HIV/AIDS, and addressing adolescent reproductive health needs, developing countries will have to look to each other for models and approaches. While the focus of the Bangladesh-Indonesia exchange may not be as relevant, the process, and its potential, are still important.

SOUTH-SOUTH COLLABORATION IN REPRODUCTIVE HEALTH: ISSUES AND CONSTRAINTS

The principles of South-South cooperation have been repeatedly endorsed. It continues to have potential as a relevant and effective way to address the unfinished reproductive health agenda. However, the practice of South-South cooperation in reproductive health is not widespread. Given the nature of the current global health issues, the need for strengthened institutional capacity and political will to address reproductive health issues, the shortage of international donor resources for reproductive health programs, and the questionable relevance of Northern models and approaches, South-South cooperation in reproductive health will have to be a key part of the new approach to meeting the goals of ICPD.

However, several factors have inhibited or slowed down the progress towards stronger South-South reproductive health cooperation.

In developing countries

Resources and commitment for reproductive health and South-South cooperation

Reproductive health programs tend to receive limited resources. When domestic economies are performing poorly, resource commitments stay low and there is little or no room for expanding them, let alone for South-South cooperation. But even under current circumstances, additional resources could be found at the national level if those arguing the case for South-South activities (generally from the ministries of health, population or planning) were able to convince their colleagues in other ministries (particularly education and finance) of the value and possible impact of such activities.

Capacity to share expertise

As the experience of Bangladesh and Indonesia demonstrated, knowing how to run a good reproductive health program does not automatically translate into knowing how to convey that to someone else. South-South exchange

involves many of the same skills that are required in consulting or managing an ODA technical assistance project or grant. This means that organizations in the South have to be effective at figuring out their comparative advantage or area in which they are so outstanding internationally that others will (or could potentially be) interested in learning from them. This is not an insignificant challenge. Next, they must be able to write proposals or raise funds either domestically or internationally. They must be able to identify opportunities for exchange or understand how to produce effective information about their program and make it available so that others will come to them. They will also need language and cultural skills to work outside their own country.

Knowing how to run a good reproductive health program does not automatically translate into knowing how to convey that to someone else.

The benefits of South-South cooperation in reproductive health

These benefits are not yet clear to many decision-makers in developing countries. Policy and program leaders may not think about looking to their neighbors for models and examples. Even if there is interest inside a health ministry to engage in long-term exchange with another ministry, it may be difficult to persuade others to loosen the purse strings. High-level advocacy is required with such key ministries as Foreign Affairs and Finance if South-South cooperation in reproductive health is to become a priority in the allocation of domestic resources. This is crucial because South-South cooperation can become sustainable only if it eventually relies on resources from the developing countries themselves.

Organizations working in reproductive health may also think about South-South cooperation only as an afterthought when programming and allocating resources, if they think about it at all. It is not clear how many developing countries would consider increasing the funding or intensifying the programming of South-South cooperation in reproductive health. Fortunately, within the framework of Partners in Population and Development, varied forms of such collaboration are now expanding and getting institutionalized among its 16 member countries.

Examples of South-South exchanges funded by the Partner members and the donor community include the following:

- A program co-funded by the European Commission and the United Kingdom to support exchanges on reproductive health (in Mexico, Honduras, Dominican Republic and Peru), and sexually transmitted diseases/HIV/AIDs (Tunisia and Morocco) as well as programs

for adolescents (in Colombia, Ecuador, Venezuela and Panama), and for religious leaders (in Bangladesh, Thailand, China and Indonesia). The "Global Leadership Program", supported by the Gates Foundation, aimed at developing human resources on reproductive health through 12 institutions of recognized reputation, which offer training on multi-country experiences and will benefit 1,000 trainees.

- A "Small Grants Fund" supported by the World Bank and the Packard Foundation that has facilitated since 1998 the launching of 15 innovative South-South initiatives by NGOs in developing countries.
- An international fellowship program that benefited around 200 trainees during 1999 and 2000 in programs in Egypt, Indonesia, India and Bangladesh with Southern institutions absorbing around 70% of the costs. The Rockefeller Foundation and the Gates Foundation have provided supplementary support.
- The East Africa Reproductive Health Network (EARHN), which executes exchanges among Kenya, Uganda and Tanzania on family planning, safe motherhood, sexually transmitted diseases/HIV/AIDS, adolescent health and gender perspective, with support from USAID, the Rockefeller Foundation and the Packard Foundation, among others.
- A program co-funded by the European Commission for exchanges on management of reproductive health services among Indonesia, Mali and Senegal, supported by a regional NGO (the Centre for the Study of the African Family - CAFS).
- A communication program co-funded by the Rockefeller Foundation, USAID and the Hewlett Foundation, among others, which supports South-South exchanges through the Partners web site (www.south-south.org), a periodical electronic bulletin, e-learning workshops, as well as through printed and electronic country profiles, country briefs and inventories of institutions providing cooperation.

In the international donor community

Many of the traditional international donors have been very supportive in public of the concept of South-South cooperation in reproductive health. However, for a variety of reasons, the resources allocated to South-South projects in this area remain relatively small. Even when donors want to be supportive and provide funds, there are several significant obstacles, including:

Domestic constraints on foreign assistance programs

Of the $2 billion given annually in population assistance, nearly $1.6 billion is

provided by a handful of donors: USAID, CIDA (Canadian International Development Agency), and the UK DFID (Department for International Development) (1996 aid data). Population assistance, like many kinds of international assistance, has often been linked with the national foreign policy agenda, domestic interests, and politics. This can occasionally make it difficult for international donors who must demonstrate the domestic benefits of foreign assistance to make such changes as using staff and consultants who are not donor country nationals on projects.

Evidence of developing countries' commitment to South-to-South cooperation

Many donors also wish developing countries to demonstrate commitment to South-South cooperation in reproductive health by using in-country money for projects and activities — not just asking for more donor money. A related need is to show the impact of the South-South program on a country's reproductive health program, particularly for bilateral programs. Without clear evidence that impact is likely to occur, some donors may shy away from programming funds for South-South activities in reproductive health.

Limited mechanisms for funding intercountry activities

Increasingly, donors are channeling funds directly to their bilateral programs, retaining relatively few funds for regional or global programming. Programming by bilateral or multilateral agencies on a country-by-country basis tends to diminish opportunities for South-South reproductive health exchanges. Donors tend to focus on achieving specific program objectives or results, and usually donors program most funds within one country. Unless there is demand from developing countries for Southern consultants or organizations to assist, a donor might not consider using those funds for that type of activity.

Usually, donors have more flexibility in programming global funds, which makes these funds easier to access for South-South cooperation projects in reproductive health. Administrative advantages in managing initiatives of a significant scale also make global allocations attractive to some donors.

CONCLUSIONS

Since the ICPD in 1994, donors and country planners and population, development and health agencies are still somewhat puzzled about how to program and fund post-Cairo activities. By separating population policy from family planning, ICPD has forced governments and donors to rethink how they can deal with population at the level of broad social and economic policy. Many of the issues of population momentum, changing age structure, household linkages between population and socioeconomic change, for example, and many of the

measures needed to address these issues extend beyond the scope of traditional sectoral ministries such as health and education. They often extend beyond the capacity of national or even sub-national governments. Therefore, even when governments are committed to dealing with these issues, they cannot do it alone nor in their current form of organization.

There is a well-deserved criticism from many directions that services, especially government services, are often inefficient, insufficient, and inappropriate. The charge is that they too often rely on outworn approaches that are neither woman-friendly nor effective in reducing either reproductive morbidity and mortality or population growth rates. A vast literature has developed that focuses on the poor quality of reproductive health care offered in many places. All these assessments end with urgent recommendations that there must be massive 'structural' changes to improve the quality of care that government agencies, NGOs and the private sector programs that typically offer family planning services.

But even if all these badly needed reforms were put into place, there would still be another problem. Health care services are not the only ones whose activities affect and can enhance reproductive health. Many activities in education or economic development affect men's and women's ability to make their own health choices, and those activites will still be the responsibility of other players — government ministries, agencies and NGOs. This means that a lot of Cairo's vision can only be achieved if others — teachers, lawyers, parents, women's advocates, development specialists, and environmentalists — can add their part. This kind of close collaboration and coordination has not been fully taken advantage of in the past, so it becomes all the more important that these partnerships should be established post-ICPD+5.

This will require more than mere lip service to "integration" of services, institutions and sectors. It will take ingenuity, flexibility, and a broad spirit of coordination and collaboration among a large number of governmental and nongovernmental agencies. This is where governments, NGOs, the private sector, multilateral and bilateral agencies can do a more effective job. They should try to ensure that intersectoral coordinating mechanisms and consultations are built into every project and program they design, fund or implement. In other words, even if reproductive health services cannot be made holistic overnight, a holistic approach to and understanding of the many-faceted needs of women and men everywhere should still inform and guide the work of all program planners and all donors. This is where South-South collaboration can also make a difference, drawing on cases where the full menu of reproductive health services needed locally has been put together and functions well for users in the community.

The potential of South-South collab-

oration here is tremendous. At its best, it can inspire action on difficult reproductive health issues, demonstrate realistically and practically how services and programs can be improved in settings with limited resources, and build capacity through training and technical assistance. However, little concrete information is available on how to effectively design and implement South-South programs in reproductive health.

Also, developing countries need more actively to promote the potential of South-South cooperation for improving reproductive health programs. This action is needed in four areas:

Advocacy: Encourage international donors and national governments to use existing resources and additional allocations in support of South-South projects in reproductive health. This calls for developing effective responses to questions and perceptions conveyed by several donors. Developing countries negotiating grants and loans with donors should consistently request the inclusion of projects or project components for South-South cooperation in reproductive health. Recent experience suggests that, in response to feasible proposals in population/reproductive health, the donor community can effectively complement domestic resources for South-South cooperation.

Transfer methods: Strengthen understanding of the process of South-South transfer of knowledge in reproductive health. More operations research is needed on how this transfer works best and how it can contribute to increased capacity. Similar operations research and management skills have already been used in analyzing the institutional capacities of reproductive health/family planning organizations; these skills could be refined and reoriented for developing a better understanding of South-South collaboration in reproductive health.

Market analysis: Continue to develop the market for South-South collaboration by making sure that information on both supply and demand for such assistance is more widely available. Research and communications will play an important role here.

Tools: Become more virtual, offering more tools and training virtually to speed up learning about South-South collaboration in reproductive health and about strategies for initiating and managing such programs. New Internet and multimedia technologies are an important tool for supporting this strategy. □

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The First South Summit: A Critical Evaluation

by BHASKAR MENON

In April, the first South Summit took stock of the current economic and social situation of developing countries, set out their major priorities and issues of concern, and gave their Group of 77 unprecedented capacity for independent analysis and outreach. Its substantive conclusions were similar to past positions, but the institutional changes it made could have a significant impact if backed by a coherent strategy. This is the assessment of Bhaskar Menon, Editor of UNDiplomatic Times.

EVOLUTION OF THE G-77

The Group of 77 was established in 1964, when Latin American countries joined African and Asian States in a statement of common interest and purpose at the first United Nations Conference on Trade and Development (UNCTAD I). By including all developing countries in the UN — 77 countries then, and 133 now — the G-77 established the basic North-South pattern of group politics throughout the UN system. In its first two decades, it was the dominant force shaping the agenda of economic and social issues at the UN. Political and security issues were left off the G-77 agenda; they were the primary focus of the Non-Aligned Movement because most Latin American countries sided with the West during the Cold War.

G-77 influence peaked in the 1970s. Energized by the rising power of the Organization of Petroleum Exporting States (OPEC), it tried unsuccessfully to negotiate a "new international economic order." Since then, due to internal and

external reasons, its influence has waned.

Internal factors. Perhaps the most obvious of these is that the G-77 has no permanent structure. Its leadership changes annually. The Chairman is supported only by a small, seconded staff that changes every few years. Institutional memory resides disproportionately in its documentation, which has traditionally been negotiated issue by issue at regional levels, with substantive input from national sources and parts of the UN system (UNCTAD and the Regional Commissions, mostly). Regional positions are then merged into a G-77 paper or negotiating text. The process allows all interests within the Group to be reflected in the documentation, but does little for coherence.

Lack of coherence has been further accentuated by the strengthening identities of a variety of subgroups of developing countries within the UN membership. A number of new groups such as the Least Developed Countries (LDCs), the Small Island Developing States, and the Landlocked Countries reflect special needs. Others, to mention only a few, are based on such factors as language (French, Spanish and Portuguese), religion (Islam), history (Commonwealth), and subregion (Andean, Arab, Southeast Asia, Caribbean, and South Pacific). All these groups deal with economic and social issues. There are arguments that this is desirable because it improves the focus on special needs and interests within the G-77, which it does. But the net result has been to weaken allegiance to the larger group and sap its ability to set effective overall strategy. Increasingly, the G-77 has become an umbrella for subgroup positions.

External factors. Outside forces that had a weakening impact on the G-77 include some of the broad political developments of our time. The end of apartheid and the beginning of the Middle East peace process both had the effect of reducing African-Arab dynamism and synergy within the G-77. The rise of OPEC opened up a large gap between its suddenly wealthy members and the rest of the G-77. The emergence of the Asian "Tigers" and the graduation of Mexico to the North American Free Trade Association (NAFTA) further underlined the differences between economically successful members of the G-77 and those at the opposite extreme. The end of the Cold War and the demise of the Eastern European Group at the UN (it survives only for electioneering) accentuated differences between democratic and totalitarian states in the G-77.

In sum, these developments fundamentally altered the political underpinnings of the G-77 and had the effect of obscuring the overall rationale for the existence of the Group. Increasingly, the work of the Group became pro forma in nature.

All this is not to say that the basic rationale of the G-77 has weakened. The centre-periphery paradigm for the relationship between developed and developing countries articulated by Raul Pre-

bisch, chief strategist for the developing countries at UNCTAD I, might need updating. However, it is certainly still relevant in a world where industrialized countries have enjoyed swift progress, and most developing countries continue to exist in circumstances of deprivation, vulnerability and weakness. As a group, developing countries, have slipped further behind developed countries in income, and the technological gap is widening at an alarming rate. Even developing countries that have prospered over the last four decades remain vulnerable to international economic volatilities over which they have little control. With four-fifths of the world's population, developing countries continue to have little voice or influence in the arrangements that shape international political and economic realities.

It was against this background that the first "South Summit" convened in Havana, Cuba, from 1 to 14 April. The analysis below presents the highlights of the Havana Declaration and Programme of Action, which were issued as the final documents of the Summit and looks at some elements for evaluating them.

PRIORITIES

Economic and social development, the essential foundation for peace, is the "highest priority." It is envisaged as "a continuing process, without arbitrary limits" and involving the "eradication of hunger, illiteracy, disease and poverty."

The traditional assertion that development is "primarily [the] responsibility" of developing countries is coupled with concern that "international cooperation for development has been downplayed on the agenda of the international community, including the United Nations system." Noting that the Millennium Summit of the General Assembly in September 2000 would discuss the role of the United Nations in the 21st century, the Havana Declaration urged the G-77 and the Non-Aligned Movement to ensure that the outcome fully reflected the two subthemes: "Peace, security and disarmament" and "Development and poverty eradication."

The Summit expressed concern at the continuing fall in official development assistance (a post-Cold War phenomenon), the widening gap in income between and within countries, debilitating levels of international debt, and the marginalization of African and Least Developed Countries (LDCs) in the processes of globalization. It was deeply alarmed at the "persistent critical economic situation in Africa," where poverty is at "intolerable levels, with negative consequences for the stability of most countries and regions of the continent."

The Summit expressed "dismay at the increasing number of children involved in and affected by armed conflict", and called for remedial action. It noted with "deep concern the increase of all kinds of criminal activities, including illicit traffic of arms, drugs and other products which are used to foster and finance organized

crimes and all types of transnational crimes which continue to be a major factor of instability and a threat to development." The trafficking of women and children in that context is a particular concern. It called for stronger international cooperation and new mechanisms to prevent and eliminate these activities.

Although it emphasized the principles of sovereignty, sovereign equality and non-interference in the internal affairs of states, the Summit did deal with issues of domestic governance:

> *"We are committed to promoting democracy and strengthening the rule of law....We will promote respect for all universally recognized human rights and fundamental freedoms, including the right to development. We pledge ourselves to provide transparent, effective and accountable governance, responsive to the needs of our peoples, which is necessary for economic growth, peace and prosperity."*

The Summit considered its traditional priorities within the framework of three overarching themes: Globalization, South-South cooperation and North-South relations.

GLOBALIZATION

The Summit voiced strong support for globalization, saying it "can be a powerful and dynamic force for strengthening cooperation and accelerating growth and development." If "properly harnessed and managed", it can lay the "foundations for enduring and equitable growth." But for developing countries to share fully in the benefits of globalization, it had to be "based on an essential sense of social justice and human solidarity." There should be "mechanisms that will guarantee full and effective participation by the South in international decision-making, on an equal basis," the Summit said. It called for "expeditious measures" to make the existing international mechanisms "more transparent, inclusive, participatory, interactive and broad-based." It also urged similar measures at the national level, saying that "efforts to promote development require a true partnership that is more inclusive and participatory and which involves all stakeholders, including the private sector and NGOs."

Transnational corporations (TNCs) as the main agents of globalization were dealt with only briefly and in generally positive terms by the Summit. The global strategies of TNCs, their competitiveness and search for ever-higher profits contribute to sustained economic growth and sustainable development, the Summit said. But that "is not necessarily consistent with job creation and the realization of development objectives in many developing countries." It urged that TNCs "integrate the development objectives of host-developing countries in their business strategies." It asked UNCTAD and the International Labour Organization (ILO), within their respective mandates, to study the impact of TNC mergers on unemployment and

the competitiveness of small and medium enterprises in developing countries.

SOUTH-SOUTH COOPERATION

The Summit stressed the crucial importance of South-South cooperation in ensuring the "equitable and effective participation of developing countries in the emerging global economic order." It said the "platforms, strategies and plans of action" adopted by the Group of 77 and the Non-Aligned Movement constitute "a comprehensive philosophy and framework for action" for wide-ranging and intensified South-South cooperation. Noting that progress over the years "has not been commensurate with the comprehensive nature of the commitments," the Summit committed the G-77 "to overcoming whatever factors that have limited this cooperation." To that end, it took the following decisions:

- A High-level Advisory Group of eminent personalities and intellectuals will be convened to prepare a report on globalization and its impact on developing countries, for submission to the annual G-77 Ministerial Meeting in 2001.
- The Chairman of the G-77 should review the complementarities and harmonization of all existing South-South cooperation programmes.
- In collaboration with the TCDC Unit of the UN Development Programme, the Chairman of the 77 should issue an annual report on South-South economic and technical cooperation.
- The TCDC Unit should be strengthened and given adequate resources to serve as the "UN focal point for South-South cooperation." It should establish a "network among focal points of developing countries", in order to create "a multidimensional web of information for development."
- The Office of the Chairman of the G-77 in New York should be upgraded into a "compact executive secretariat." To fund it, all G-77 members should contribute $5,000 annually — more if they are able to.
- A special fund with a target of at least $10 million will be established to help implement the decisions of the Summit. Contributions to the fund are invited from G-77 members, developed countries, international organizations, corporations and foundations. The G-77 Chairman will report to the Group's ministerial meeting in the last quarter of 2000 on the terms of reference and operating modalities of the fund. The Summit also asked the committee of experts overseeing the Perez-Guerrero Trust Fund (PGTF) to allocate funds annually to support the implementation of the South Summit decisions.
- The Chairman of the G-77 will coordinate the networking of research institutions from the

South to improve the Group's analytical capacity, especially on issues related to globalization.

- Groups of Experts, chosen to act in their individual capacities, will review and comment upon the agendas of major multilateral conferences, with a view to providing guidance to developing countries on the desirable outcome of such meetings.
- A "monitoring, analysis, identification, management, follow-up and evaluation mechanism" will be established to ensure the effectiveness of South-South cooperation projects and initiatives.
- A high-level conference on South-South cooperation will be held in 2003.
- The Second G-77 South Summit was scheduled for 2005.
- Work should be speedily completed on a "vulnerability index" to focus attention on the risks of globalization to the mainly agrarian economies of developing countries.

In addition to reaffirming long-standing recommendations on how developing countries should expand trade and investment ties among themselves, the Summit encouraged the "regular organization of a business forum and a South-South trade and investment fair." Welcoming the initiative of the G-77 Chamber of Commerce and Industry (GCCI) to establish a G-77 Trade Development Bank, with headquarters in Nairobi, the Summit called on the Chairman of the Group to convene a meeting this year to review the Chamber's operating modalities, mandates and performance. It also asked for a review of proposals first made in 1983 for a "South Bank," a developing country monetary fund, an economic and social development fund, and a commodity price stabilization fund.

The Summit took several initiatives to focus attention on the need for science and technology development. It decided to establish a G-77 science and technology award for individuals, a knowledge and technology trust fund (seed money to come voluntarily from governments, corporations and foundations), and a South-South network linking research and development institutions and other centers of excellence. The Summit urged action by developing countries to protect biotechnology developed indigenously over the millennia from being exploited by others. The benefits from patenting such technology should flow back to the original developers. Governments should promote venture capital funds to help grow science and knowledge-based industries, it said.

NORTH-SOUTH RELATIONS

The Summit stressed the need to revive the "North-South dialogue." The renewed dialogue it said, should focus on external factors that in recent decades "have constrained the realization of the economic potential of the South," and

"placed the developing countries at a clear disadvantage." It should seek to reverse the "weakening commitment of the developed countries" to multilateralism and development cooperation, and restore the focus on development in existing international relations.

With a view to reviving the dialogue, the Summit asked the G-77 Chairman to "convey promptly" the concerns and interests of the Group to developed countries, including the Group of 8 (major industrialized countries). The Summit asked the G-8 countries to keep the development objectives of the South in view when setting their macroeconomic policies. The new High-level Advisory Group (see above) was asked to make a "comprehensive assessment of the North-South dialogue.".

Among the many North-South issues, the most prominent are centred on finance, trade and technology.

Finance: Three major aspects of international finance have been long-term concerns of the G-77.

One is the inadequacy of finance for development. Investment capital from developed countries goes to a handful of developing countries. Official Development Assistance, always inadequate, has been shrinking at an alarming rate in the post Cold War period.

The second is the unsustainable indebtedness of many developing countries. Noting that the "vicious cycle of debt and underdevelopment has become even further entrenched," the Summit called for attention to the structural causes of the problem and expressed alarm that debt servicing has grown at a much greater rate than the debt itself. It called for "outright cancellation of unsustainable debt," especially of the least developed countries. Debt cancellation should not reduce ODA, the Summit cautioned. For middle-income developing countries, it espoused quick debt reductions as a way of reducing resources for development.

The third major concern, improving international financial mechanisms, has expanded in the context of globalization to a call for the reform of the world's "financial architecture." The call has gained in urgency because liberalized economic policies have left developing countries disastrously vulnerable to volatile financial flows. The Summit said that, in addition to financing for development and the need to strengthen early warning of and responses to crises, reform should make the global financial system democratic and fair, increasing the effective participation of developing countries. With a view to improving developing country positions within the existing financial institutions, the Summit decided that prior to the twice-yearly sessions of the International Monetary Fund and World Bank, there should be coordination meetings between the Chairmen of the G-77 and the Group of 24 in Washington.

The Summit viewed with alarm "recent unilateral moves by some devel-

oped countries to question the use of fiscal policy as a development tool and to impose their own definition of so-called harmful tax competition." Each state has the fundamental right to determine its own fiscal policies "and in this regard sovereignty of States must be respected," the Summit said. Nor should "legitimate struggle against money laundering" be "used as a pretext to discredit genuine offshore financial centres because of their fiscal policies and incentives."

On corruption, a domestic issue that some developed countries have raised as an international concern, the Summit focused on the repatriation of funds stolen from developing countries and stashed in foreign bank accounts. It applauded the recent decision of the Africa-Europe summit in Cairo to act on the matter, and said the United Nations should elaborate an international convention and submit it to the Millennium Assembly for adoption.

Trade: The Summit said the confidence of developing countries in the multilateral trading system has been shaken by the selective use of protectionist measures against their exports and the failure of developed countries to fulfill pledges of freer market access. Urging intensified efforts to review and reform the international trade regime to promote a fair, equitable and rules-based system, the Summit said that WTO membership should be made universal as soon as possible. Developed countries should consider the weakness and vulnerability of developing countries in the global economy and recognize their entitlement to special and differentiated treatment as a "fundamental principle of the multilateral trading system." It called for full implementation of the decisions to protect LDCs and net-food-importing developing countries from possible negative effects of trade-related reforms, taken in 1994 at the founding meeting of the World Trade Organization (WTO).

Future multilateral trade negotiations, the Summit said, should be based on a "positive agenda" with "full consideration of the development dimension." Service sectors where developing countries have a comparative advantage should be liberalized on a priority basis, and consideration given to removing restrictions on the international movement of "natural persons." Multilateral negotiations on agriculture must take fully into account the special needs of developing countries, including food security and the need to maintain rural employment in their predominantly agrarian economies.

The Summit rejected "all attempts" to introduce extraneous "conditionalities for restricting market access or aid and technology flows to developing countries." While recognizing the intrinsic importance of environmental protection, labor standards, intellectual property protection, indigenous innovation, sound macroeconomic management and promotion of human rights, the Summit said they should be dealt with in other com-

petent forums and organizations, not in the context of trade.

The Summit firmly rejected "the imposition of laws and regulations with extraterritorial impact and all other forms of coercive economic measures, including unilateral sanctions against developing countries."

Technology: The Summit said that the prevailing modes of production and consumption in the developed countries "are unsustainable and should be changed" because they "threaten the very survival of the planet." Solutions to serious environmental problems it said, should be "based on the recognition of the North's ecological debt and the principle of common but differentiated responsibilities of the developed and developing countries."

The language of the Summit documents on these issues is very broad. Developing countries should consider closing the "North-South gap in knowledge generation and application" as a matter of high priority. As information technology is "one of the most powerful development tools of our time", the "future of the South depends" on its inclusion in economic and social development programmes. Global "knowledge partnerships" are needed to help developing countries use information technology.

The section on information technology refers to the need for developing countries to balance improved access to and benefits from global information networks with the preservation of their "national and regional diversity of traditions, identities and cultures which may be affected by the globalization process." In that context the Summit welcomed the declaration of the year 2001 as the Year of Dialogue among Civilizations, and stressed the importance of this initiative as a means of enhancing understanding of diverse cultures and promoting North-South and South-South cooperation in a globalized world.

UN ROLE

Describing the United Nations as the unique and universal forum necessary to strengthen international cooperation and promote development in the context of globalization, the Summit stressed the importance of the principles enshrined in the UN Charter. The "process of globalization and interdependence must not be used to weaken or reinterpret" Charter principles, it said, for they "continue to be the foundation for friendly and peaceful relations among States and for the solution of disputes and conflicts by peaceful means."

The Summit specifically rejected any claim that there existed a right to "humanitarian intervention," saying it had no legal basis in the UN Charter or in the general principles of international law. It asked the Chairmen of the Group of 77 and the Non-Aligned Movement (NAM) to coordinate consideration of "the concept of humanitarian intervention", as contained in the UN Secretary-General's 1999 Report on the Work of the Organization.

The guiding principles of humanitarian assistance, adopted by the General Assembly in resolution 46/182, are "valid, time-tested and must continue to be fully observed," the Summit said. Humanitarian assistance should be conducted with full respect for the "sovereignty, territorial integrity, and political independence of host countries, and should be initiated in response to a request or with the approval of these States."

Noting the increasing marginalization of the United Nations in decision-making on major international economic issues and the shift of such decision-making to the Bretton Woods institutions, the Summit called for a reversal of policy. To highlight the importance of the UN System in dealing with global economic issues, development and international cooperation, it asked that the matter be discussed by the annual ministerial meetings of the G-77 in New York and by each of its Chapters (in Geneva, Nairobi, Paris, Rome, Vienna and Washington).

In addition to the cooperative work with the TCDC Unit of UNDP (see above), the Summit called for support from UNCTAD in international trade negotiations. It asked that in close cooperation with the Geneva Chapter of the G-77, UNCTAD "establish and pursue a programme to elaborate trade policy tools that promote the development dimension within the multilateral trading system."

ELEMENTS OF AN EVALUATION

A meaningful evaluation of the first South Summit must be based on whether or not the actions it initiated have the potential to improve G-77 effectiveness. Does the Declaration provide the proper orientation to the G-77? Can the initiatives in the work programme enable the Group to engage effectively with the external realities it wants to change? The following are some of the elements necessary for such an assessment.

Leadership: As noted above, a basic problem with the G-77 has been continuity and consistency of leadership. Because of that, implementation of agreed plans has been always inadequate. The Summit decision to create a "compact executive secretariat" for the Office of the Chairman could go a long way to strengthen the Group, but much will depend on the quality and composition of personnel. The new secretariat must be politically savvy and capable of pushing a complex work programme with an eye to existing and potential synergies within and outside the Group.

Strategy: The overall aim of the Summit is the economic and social development of G-77 member states, but it gave no indication how the grab bag of priorities in its final documents should be ordered. However, a number of its decisions facilitate the articulation of a strategy. This can be done within the overall framework of the existing plans and programmes of the G-77 and the Non-Aligned Movement, which the Summit

described as constituting "a comprehensive philosophy and framework for action.". The Summit asked that the G-77 Chairman "review the complementaries and harmonization" of existing mandates. It also provided for a new executive secretariat for the Chairman, and called for a supportive network of research institutions, as well as Groups of Experts to help analyze the work of major international conferences. In short, the Chairman has been given the mandate and the capacity to set strategy. The new review and assessment mechanism and the annual report on South-South cooperation to be issued by the G-77 Chairman provide the means for member states to stay appropriately engaged.

The operational modalities of both the G-77 and the Non-Aligned Movement were shaped during the Cold War, when there was minimal expectation of change from their various Declarations and Programmes of Action. None of them contains firm indications of how their multiple appeals and demands for change in international realities are to be implemented. The South Summit documents are in that tradition. In the current period of global economic and political fluidities, this approach is obviously inadequate. The articulation of G-77 strategy will require acute analyses of the evolving scenario, including a review of groups in the South as well as the North that can be part of a global alliance to make globalization a humane and inclusive process.

Information: In formulating and implementing strategy, information is a key element. The major policy changes that the G-77 want implemented must be broadly understood and supported, both by its own constituencies and by allies in the North. For that to happen, policy formulation and advocacy must be based on excellent information and analysis. This means the G-77 must recognize the strategic value of information, both in terms of substantive research and analysis as well as in terms of public information.

The Summit reflected deep ambiguity on the subject of information. On the one hand, it stressed the importance of "information technology" and "knowledge generation." It underlined the urgency of developing countries gaining "access to global information networks." On the other hand, the Summit sought "to achieve a connection to contemporary international information and knowledge that does not entail sacrificing our national and regional cultures and identities." It is "necessary to pay special attention to the homogenizing tendencies that may threaten this diversity," the Summit said. The concepts and attitudes behind those cautionary words need to be thoroughly probed. Group identity and culture must be clearly understood to exclude those based on patterns of dominance and/or exploitation of others on the basis of differences such as gender, caste, color, language or religion.

Corporate culture: The Summit did

not raise the issue of unprecedented and growing concentration of corporate power over the creation and international dissemination of cultural and news products. This is a key issue, and one on which there are significant North-South differences, as well as congruence of interests in some areas. The differences are over long-standing developing country concerns at their inadequate and biased representation by international mass media oriented to the coverage of developed countries. A common North-South concern is that corporate domination of mass media, especially television, has made information a commodity rather than a service. This has serious implications for democracies, which depend on an informed citizenry. Another common North-South concern is that corporate control of entertainment media subverts cultural quality and diversity. The paramount importance on maximizing profit works against the many social ends that entertainment media must serve in any society. A specific concern in this regard is that television programming guided entirely by the profit motive tends to be less diversified and to rely heavily on the prurient appeal of sex and violence to attract mass audiences and advertising.

The issue of violence: Most developing countries are no longer in danger of outright colonial conquest, but they remain vulnerable to violent subversion and economic coercion. Many have had to cope with civil wars supported from other countries, especially through illicit supplies of arms and ammunition. Whatever the rationale of these conflicts, they retard the economic and social development of the embattled countries and regions, while benefiting those who feed the conflict covertly from a distance. This phenomenon has not been fully studied or incorporated into the joint strategies of developing countries.

Peace and development: The Summit made a perfunctory reference to the essential relationship of development to peace, but did not explore the critically important linkages involved. Several references to non-aligned texts, however, indicate recognition that a fuller consideration of political and security issues must shape G-77 strategy. Key issues in this regard are disarmament and the illicit trade in arms and drugs, which are often two sides of the coin of political subversion and conflict in developing countries.

CONCLUSION

The first South Summit made a number of bold moves to increase the capacity and revive the effectiveness of the Group of 77 in support of economic and social development. Serious obstacles must be overcome in implementing the decisions of the Summit, but they have the potential for significant impact. The outcome will depend on the quality of implementation, especially the imagination and integrity of the new executive secretariat of the G-77, and the breadth of political support it receives from the Group. □

Sustaining Our Future: The Millennium Report of the UN Secretary-General

by KOFI ANNAN

NEW CENTURY, NEW CHALLENGES

The new millennium, and the Millennium Summit, offer the world's peoples a unique occasion to reflect on their common destiny, at a moment when they find themselves interconnected as never before. They look to their leaders to identify and act on the challenges ahead. The United Nations can help meet those challenges, if its Members share a renewed sense of mission. Founded to introduce new principles into international relations in 1945, the UN has succeeded better in some areas than others. This is a chance to reshape the United Nations so that it can make a real and measurable difference to people's lives in the new century.

GLOBALIZATION AND GOVERNANCE

The benefits of globalization are obvious: faster growth, higher living standards, new opportunities. Yet a backlash has begun, because these benefits are so unequally distributed, and because the global market is not yet underpinned by rules based on shared social objectives.

In 1945 the founders set up an open and cooperative system for an international world. This system worked, and made it possible for globalization to emerge. As a result we now live in a global world. Responding to this shift is a central challenge for world leaders today.

In this new world, groups and individuals more and more often interact directly across frontiers, without involving the State. This has its dangers. Crime, narcotics, terrorism, pollution, disease, weapons, refugees and migrants: all move back and forth faster and in greater numbers than in the past. People

feel threatened by events far away. They are also more aware of injustice and brutality in distant countries, and expect states to do something about them. But new technologies also create opportunities for mutual understanding and common action. If we are to get the best out of globalization and avoid the worst, we must learn to govern better, and how to govern better together.

That does not mean world government or the eclipse of nation states. On the contrary, states need to be strengthened. And they can draw strength from each other, by acting together within common institutions based on shared rules and values. These institutions must reflect the realities of the time, including the distribution of power. And they must serve as an arena for states to cooperate with nonstate actors, including global companies. In many cases they need to be complemented by less formal policy networks, which can respond more quickly to the changing global agenda.

The gross disparities of wealth in today's world, the miserable conditions in which well over a billion people live, the prevalence of endemic conflict in some regions, and the rapid degradation of the natural environment: all these combine to make the present model of development unsustainable, unless remedial measures are taken by common agreement. A recent survey of public opinion across six continents — the largest ever conducted — confirms that such measures are what people want.

FREEDOM FROM WANT

The past half-century has seen unprecedented economic gains. But 1.2 billion people have to live on less than $1 a day. The combination of extreme poverty with extreme inequality between countries, and often also within them, is an affront to our common humanity. It also makes many other problems worse, including conflict. And the world's population is still rising rapidly, with the increase concentrated in the poorest countries. We must act to reduce extreme poverty by half, in every part of the world, before 2015. The following are priority areas:

- ***Achieving sustained growth.*** This means, above all, ensuring that people in all developing countries can benefit from globalization.
- ***Generating opportunities for the young.*** By 2015, all children must complete primary schooling, with equal opportunities for both genders at all levels of education; and ways must be found to provide young people with decent work.
- ***Promoting health and combating HIV/AIDS.*** Health research must be redirected at the problems affecting 90 per cent of the world's people. By 2010 we should have cut the rate of HIV infection in young people by 25 per cent.
- ***Upgrading the slums.*** We must support the "Cities without Slums" action plan, which aims to improve the lives of 100 million slum dwellers by 2020.

- ***Including Africa.*** The Report challenges experts and philanthropic foundations to tackle low agricultural productivity in Africa. It also urges African governments to give higher priority to reducing poverty, and the rest of the world to help them.
- ***Building digital bridges.*** New technology offers an unprecedented chance for developing countries to "leapfrog" earlier stages of development. Everything must be done to maximize their peoples' access to new information networks.
- ***Demonstrating global solidarity.*** Rich countries must further open their markets to poor countries' products, must provide deeper and faster debt relief, and must give more and better focused development assistance. Ridding the world of the scourge of extreme poverty is a challenge to every one of us. We must not fail to meet it.

FREEDOM FROM FEAR

Wars between States have become less frequent. But in the last decade internal wars have claimed more than 5 million lives, and driven many times that number of people from their homes. At the same time weapons of mass destruction continue to cast their shadow of fear. We now think of security less as defending territory, more in terms of protecting people. The threat of deadly conflict must be tackled at every stage:

- ***Prevention.*** Conflicts are most frequent in poor countries, especially in those that are ill-governed and where there are sharp inequalities between ethnic or religious groups. The best way to prevent them is to promote healthy and balanced economic development, combined with human rights, minority rights and political arrangements in which all groups are fairly represented. Also, illicit transfers of weapons, money, or natural resources must be forced into the limelight.
- ***Protecting the vulnerable.*** We must find better ways to enforce international and human rights law, and ensure that gross violations do not go unpunished.
- ***Addressing the dilemma of intervention.*** National sovereignty must not be used as a shield for those who wantonly violate the rights and lives of their fellow human beings. In the face of mass murder, armed intervention authorized by the Security Council is an option that cannot be relinquished.
- ***Strengthening peace operations.*** The Millennium Assembly is invited to consider recommendations from a high-level panel the Secretary-General has established to review all aspects of peace operations.

- ***Targeting sanctions.*** Recent research has explored ways to make sanctions "smarter", by targeting them better. The Security Council should draw on this research when designing and applying sanctions regimes in future.
- ***Pursuing arms reductions.*** The Secretary-General urges Member States to control small arms transfers more rigorously; and to recommit themselves to reducing the dangers both of existing nuclear weapons and of further proliferation.

SUSTAINING OUR FUTURE

We now face an urgent need to secure the freedom of future generations to sustain their lives on this planet — and we are failing to do it. We have been plundering our children's heritage to pay for unsustainable practices. Changing this is a challenge for rich and poor countries alike. The Rio Conference in 1992 provided the foundations, and the Montreal Protocol on ozone-depleting substances is an important step forward. But elsewhere our responses are too few, too little and too late. Before 2002 we must revive the debate and prepare to act decisively in the following areas:

- ***Coping with climate change.*** Reducing the threat of global warming requires a 60 per cent reduction in emissions of carbon and other "greenhouse gases". This can be achieved by promoting energy efficiency and relying more on renewable energy sources. Implementing the 1997 Kyoto Protocol would be a first step.
- ***Confronting the water crisis.*** The report urges endorsement of the World Water Forum Ministerial Conference's target of cutting by half the proportion of people without access to safe and affordable water before 2015. It also calls for a "Blue Revolution" which would increase agricultural productivity per unit of water, while improving management of watersheds and flood plains.
- ***Defending the soil.*** The best hope of feeding a growing world population from shrinking agricultural land may lie in biotechnology, but its safety and environmental impact are hotly debated. The Secretary-General is convening a global policy network to try and resolve these controversies, so that the poor and hungry do not lose out.
- ***Preserving forests, fisheries, and biodiversity.*** In all these areas, conservation is vital. Governments and the private sector must work together to support it.
- ***Building a new ethic of stewardship.*** The Secretary-General recommends four priorities: 1) Education of the public; 2) "Green accounting", to

integrate the environment into economic policy;

3) Regulations and incentives;

4) More accurate scientific data.

Peoples, as well as Governments, must commit themselves to a new ethic of conservation and stewardship.

RENEWING THE UNITED NATIONS

Without a strong UN, it will be much harder to meet all these challenges. Strengthening the UN depends on Governments, and especially on their willingness to work with others — the private sector, nongovernmental organizations and multilateral agencies — to find consensus solutions. The UN must act as a catalyst, to stimulate action by others. And it must fully exploit the new technologies, especially information technology. The Secretary-General recommends action in these areas:

- ***Identifying our core strengths.*** The UN's influence derives not from power, but from the values it represents, its role in helping to set and sustain global norms, its ability to stimulate global concern and action; and the trust inspired by its practical work to improve people's lives. We must build on those strengths, especially by insisting on the importance of the rule of law. But we also need to adapt the UN itself, notably by reforming the Security Council so it can both work effectively and enjoy unquestioned legitimacy. And we must expand the UN's relationship with civil society organizations, as well as with the private sector and foundations.
- ***Networking for change.*** We must supplement formal institutions with informal policy networks, bringing together international institutions, civil society and private sector organizations, and national governments, in pursuit of common goals.
- ***Making digital connections.*** We can use the new information technology to make the UN more efficient, and to improve its interaction with the rest of the world. But to do so we must overcome a change-resistant culture. The Secretary-General is asking the information technology industry to help us do it.
- ***Advancing the quiet revolution.*** To meet the needs of the 21st century we need real structural reform, a clearer consensus on priorities among Member States, and less intrusive oversight of day-to-day management. Decisions are needed from the General Assembly — for instance to include "sunset provisions" in new mandates and to introduce results-based budgeting.

FOR CONSIDERATION BY THE SUMMIT

The Secretary-General lists six shared values, reflecting the spirit of the Char-

ter, which are of particular relevance to the new century: Freedom; Equity and Solidarity; Tolerance; Non-Violence; Respect for Nature; and Shared Responsibility. He urges the Millennium Summit to adopt a series of resolutions, drawn from the body of the Report, as an earnest of its will to act on those values.

Note:

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The full report is available at www.un.org/millenium/sg/report; or contact the United Nations Secretariat, Documents Unit, at 212-963-7367/8.

Windows ON THE SOUTH

CHALLENGE TO AFRICAN LEADERS ON HIV/AIDS PANDEMIC

To build a launching pad for more concerted action against HIV/AIDS in Africa and galvanize an African-led response to the pandemic: That is the aim of the African Development Forum being held 3 - 7 December 2000 in Addis Ababa on the theme "AIDS: The Greatest Leadership Challenge." It hopes to mobilize the highest possible level of scientific, technological, traditional and intellectual leadership, at all levels of society and the development community, for dealing with AIDS and mitigating its already devastating impact in Africa.

Expected to attend are some 1,500 African leaders and policymakers, representatives of development agencies, the private sector, academia and civil society organisations, including people living with HIV/AIDS. Involvement by the United Nations family and other partners in each African country is an important component of the ADF 2000 process.

Despite all efforts made over the past two decades, HIV/AIDS has continued to spread at an alarming rate throughout Africa. If unchecked, it could claim more lives than all the casualties in all the wars of the 20th century put together. HIV/AIDS represents an emergency of unprecedented proportions, which threatens to derail Africa's development.

Against this background, the Forum will build on efforts already under way by African countries and their development partners to combat HIV/AIDS, and will address the remaining gaps. The Forum is expected to yield country action plans and proposals on specific leadership roles at every level for the fight against HIV/AIDS and its impact in Africa. This involves six steps:

- Upscale the continent's response by documenting the status of the HIV/AIDS epidemic in Africa, identifying priority programmes for implementation and establishing a dialogue with African government planners and decision makers to elaborate country-specific action plans and work programmes for the year 2001;
- Share knowledge on what has worked, as well as what has failed, in Africa's struggle against HIV/AIDS to date;
- Discuss and develop strategies on how to mobilize the required resources to enable Africa's fight against HIV/AIDS, as well as to ensure their accountable use;
- Focus on how a response to HIV/AIDS in Africa can be upscaled, as well as highlight the costs of failure to address the epidemic adequately;
- Assess what skills and capacities are needed to interpret HIV/AIDS data and related information as a means of achieving effective implementation of policies;
- Support ongoing efforts to facilitate access to drugs and overcome the hindrances of intellectual property regulations.

Convened each year, the ADF aims to present the key stakeholders in African development with the results of current research and opinion on key development issues, in order to formulate shared goals and priorities and enable African countries to implement effective programmes. The first Forum in October 1999 was on the theme "The Challenge to Africa of Globalization and the Information Age."

Organizer of the meeting this year is the UN Economic Commission for Africa (ECA) in conjunction with UNAIDS, UNDP, UNICEF, the World Bank and other partners. It will be held in the United Nations Conference Centre in Addis Ababa, Ethiopia. (For more information on the Forum see www.uneca.org/adf2000.) □

HEALTH, HUMAN RIGHTS, GLOBAL TRADE AND ACCESS TO ESSENTIAL MEDICINES

The issue of access to life-saving, life-prolonging drugs by poor countries has recently been at the center of international financial news. On one side, devel-

oping countries, particularly in sub-Saharan Africa, desperately need cheaper sources of drugs to treat HIV-AIDS and other diseases such as malaria and tuberculosis. On the other side are transnational pharmaceutical companies, claiming trade-related intellectual property rights (TRIPS) to secure patents and control prices under the rules currently governing global trade. This position is backed by the United States, European governments and the World Trade Organization.

As a result, African countries are still priced out of the market in essential medicines. For example, they cannot afford the drug AZT, which is known to cut mother-to-child transmission rates during and after pregnancy by at least half. More prosperous Southern countries like Brazil, India and Thailand have ignored TRIPS and US patent laws and import or manufacture cheaper, generic versions of these drugs. But these options are not available to much poorer African countries.

In the past year, there has been some positive movement. After political pressures from groups like Act Up and anti-globalization protests, the US president retracted the threat of sanctions against countries that ignore TRIPS. The U.S. and the World Bank offered $1.5 billion in loans related to AIDS. Some drug companies reduced their prices on HIV-AIDS drugs to meet the huge crisis of the epidemic in Africa. These were offered as "humanitarian" gestures, not as admissions of an obligation under international human rights principles. They leave intact the free-market credo of health as a commodity and drug companies as the last authority on prices.

At the center of the controversy has been South Africa. It has the fastest-growing HIV rate of any country in the world (20 percent of its population now infected), and a strong voice in the region. Many international health advocates expressed disappointment when the Mbeki government dropped previous defiance of US opposition to licensing of local manufacturers; then questioned the value of AZT as a treatment for pregnant HIV-infected women in South Africa; and finally became involved in debates about whether HIV causes AIDS. While these issues were still brewing, South Africa took the lead during the year 2000 in negotiating groundbreaking provisions regarding global trade, human rights and access to essential, affordable medicines. It took this role around the June 2000 Special Session of the UN General Assembly to review the results of the 1995 World Summit on Social Development five years later (often called WSSD+5). During the April preparatory committee for the Session, the Women's Caucus proposed adding language to paragraph 80, which dealt with TRIPS, in the draft document for WSSD+5:

> *"Recognize that intellectual property rights under the TRIPS Agreement must not take precedence over the fundamental human right to the highest*

attainable standard of health care, as provided in many international human rights and other multilateral instruments, nor the ethical responsibility to provide life-saving medications at affordable cost to developing countries and people living in poverty."

The aim was to raise the awareness of governments and development NGOs of the connections among health, human rights and global trade. The issue also has important gender implications, because of the plight of HIV-infected pregnant women in poor countries and the greater susceptibility of women and girls to HIV infection generally.

Before the WSSD+5 conference, the South African delegation introduced this point in meetings of the Group of 77 developing countries and China, which adopted it. At the June conference, the issue generated much debate. Northern countries held that intellectual property rights and profits from them are necessary "to promote further research" on drugs and to advance technological knowledge. Some NGOs called this a fallacy as regards drugs for AIDS and other life-threatening illnesses that ravage African populations. The NGOs pointed out that most research on drugs for tropical diseases has been done by public agencies, not corporations. They also noted that most research to find treatments and a vaccine for AIDS is geared to an American and European market, not the 50 million HIV-infected people who live in Africa.

After opposition by the U.S. and lobbying by pharmaceutical corporations, the outcome at the Special Session was a text which does not challenge the WTO rules concerning intellectual property rights, but still affirms the link between human rights, health and access to affordable essential medicines:

> Recognize the right of everyone to the enjoyment of the highest attainable standards of physical and mental health as contained in relevant international human rights instruments, as well as in the WHO Constitution. Further recognize the critical importance of access to essential medicines at affordable prices. Acknowledge the contribution of intellectual property rights to promote further research, development and distribution of drugs, and that these intellectual property rights should contribute to the mutual advantage of producers and users of technological knowledge, and in a manner conducive to social and economic welfare. Agree that Member States may freely exercise, consistent with national laws and international agreements acceded to, in an unrestricted manner, the options available to them under international agreements to protect and advance access to life-saving, essential medicines.

This article is based on reporting by Rosalind P. Ptetchesky. □

PEOPLE'S SENSE OF VULNERABILITY GROWING IN LATIN AMERICA

Most people in Latin America have a growing sense of being threatened, vulnerable and at risk, as shown by public opinion surveys in the late 1990s. This is the conclusion of a study recently published by the Economic Commission for Latin America and the Caribbean (ECLAC).

A main cause is the increased precariousness of the job market, with more temporary jobs offering insecure income, no contract and no social security. Other causes include the pullback of the State from some areas, changes in traditional social organization such as unions, and the difficulties facing small companies. The effects are felt by most of the region's people, including not only the poor, but also part of the middle classes. This, in turn, translates into constant movement in and out of poverty, with additional social costs.

According to the study, employment instability rose during the past decade, as did the number of people working in informal or low productivity sectors. In 1999, this reached nearly 50 per cent of the work force in urban zones, more in rural areas. Jobs lost due to restructuring of production devalued human capital, pushing many experienced workers into low productivity sectors or unemployment. "Government policies for their training and relocation do not seem to have had the expected success," the document states.

At the same time, the purchasing power of pensions and other social allowances went down, adding to the shaky conditions faced by the main recipients in the lowest income social groups. In several countries, public policies have refocused social spending so that many middle and lower middle class households now pay directly all or part of service costs, while also facing the job crisis and falling incomes.

The weakening of unions and community groups and young people's exclusion from political parties has led people to more individualistic behaviour and isolation in the job market and a decline in workers' benefits, social security and living conditions, the study found. Public policy relies heavily on small and very small companies to relieve this vulnerability and poverty, but inadequate subsidies and development policies underline the companies' fragility and end up "reproducing poverty," the report states.

Groups affected by "hard poverty" suffer the most social vulnerability, but in the past two decades, nonindigenous poor and middle class sectors have also seen sharp income fluctuations. As households cross the poverty threshold over and over again, they experience mounting debt, insecurity and decline in living conditions. For the urban poor, it is hard to gain access to the better job quality and salaries in the modern part of

the economy which depend on ever-higher educational levels. Both education and health care also show a clear differentiation according to social strata, making it difficult to overcome poverty.

To reduce poverty and social vulnerability, ECLAC recommends that social policies revert to the inclusion of some groups in low- and middle-income strata, which are currently excluded by excessive focusing and are very vulnerable to economic recessions. At the same time, economic policy must achieve more dynamic, stable growth, as well as a substantial rise in the productivity of micro and small companies, whose permanent nature has become evident.

The study is available in English (Social Panorama of Latin America, 1999-2000) and Spanish (Panorama Social de América Latina, 1999-2000) on the ECLAC website, or in a printed version from Document Distribution Unit, ECLAC, Casilla 179-D, Santiago, Chile, fax (56-2) 206-0252, e-mail: publications@eclac.cl. ⊡

BEDOUIN COMMUNITY PAVES THE WAY FOR COMPUTER CENTERS IN JORDAN

The remote township of Safawi in the heart of Jordan's eastern desert is the first Bedouin community in the Arab world to surf the web, thanks to a walk-in information technology center set up to serve its 2000 inhabitants. Launched in October, the center quickly filled with the excited whispers of school children clustering around computers and typing away at the keyboards. The center is part of a UNDP global initiative to integrate information technology into development and bridge the gap between rich and poor, young and old, male and female created by globalization and the information revolution.

Supported by the Ministry of Education, United Nations Volunteers and UNDP, the Technology Access Community Center (TACC) in Safawi will provide training on basic computer and internet skills. It will emphasize support for income-generating activities, as well as creating an internet-literate population, particularly among youth and women.

The pilot center in Safawi paves the way for the establishment of similar centers in villages across Jordan with UNDP support, as requested by King Abdallah II. The King, who has made equitable access to information technology a national priority, presided over the opening ceremony of the TACC, along with UNDP's Resident Representative, Costante Muzio. The TACC now has fourteen computer terminals for training and web browsing. Despite the wide expanse of desert surrounding the community, Safawi is serviced by power lines, and its youth have access to schooling, thus providing the infrastruc-

ture and literacy rates needed to capitalize on the information revolution.

The initiative aims to build the local capacity of the community by introducing electronic commerce, distance learning and eventually access to government, when Jordan's public sector introduces on-line services. A Safawi farmer will now be able to check the price of produce on the local market by browsing the web, and schoolteachers will be able to access new teaching modules through the Internet.

The TACC also targets young people, who comprise nearly half the population in the eastern desert region, by offering distance learning through links with the Ministry of Education and the government's national information system. The center is staffed by two local recruits from United Nations Volunteers (UNV), including a woman of Bedouin origin, to accommodate the practice of gender segregation in the community and ensure women's participation in the initiative. □

SHARING IDEAS

COOPERATION SOUTH is devoted to critical analysis and discussion of development issues of importance to the South. To this end, it welcomes the exchange of ideas and experience from all sectors, disciplines and viewpoints, and from sources ranging from policymakers and scholars, to practitioners and community activists.

Readers wishing to take an active part in this dialogue are invited to comment on articles published in the journal and to contribute articles for possible publication. Letters and manuscripts, which are subject to editing, should be sent to the Editor-in-Chief, Cooperation South, as follows:

Mail:
Special Unit for TCDC,
United Nations
Development Programme
One United Nations Plaza,
New York, NY 10017

Fax:
(212) 906–6352

E-mail:
cosmas.gitta@undp.org

Breaking the Silence on AIDS in Africa

...It is never my custom to use words lightly. If twenty-seven years in prison have done anything to us, it was to use the silence of solitude to make us understand how precious words are and how real speech is in its impact upon the way people live or die.

I come from a long tradition of collective leadership, consultative decision-making and joint action towards the common good. We have overcome much that many thought insurmountable through an adherence to those practices. In the face of the grave threat posed by HIV/AIDS, we have to rise above our differences and combine our efforts to save our people. History will judge us harshly if we fail to do so now, and right now.

Let us not equivocate: a tragedy of unprecedented proportions is unfolding in Africa. AIDS today in Africa is claiming more lives than the sum total of all wars, famines and floods, and the ravages of such deadly diseases as malaria. It is devastating families and communities; overwhelming and depleting health care services; and robbing schools of both students and teachers.

Business has suffered, or will suffer, losses of personnel, productivity and profits; economic growth is being undermined, and scarce development resources have to be diverted to deal with the consequences of the pandemic.

HIV/AIDS is having a devastating impact on families, communities, societies and economies. Decades have been chopped from life expectancy and young

child mortality is expected to more than double in the most severely affected countries of Africa. AIDS is clearly a disaster, effectively wiping out the development gains of the past decades and sabotaging the future.

Earlier this week we were shocked to learn that within South Africa, 1 in 2, that is half, of our young people will die of AIDS. The most frightening thing is that all of these infections which statistics tell us about, and the attendant human suffering, could have been, and can be, prevented.

Something must be done as a matter of the greatest urgency. And with nearly two decades of dealing with the epidemic, we now do have some experience of what works.

The experience in a number of countries has taught that HIV infection can be prevented through investing in information and life skills development for young people. Promoting abstinence, safe sex and the use of condoms, and ensuring the early treatment of sexually transmitted diseases are some of the steps needed, and about which there can be no dispute. Ensuring that people, especially the young, have access to voluntary and confidential HIV counselling and testing services, and introducing measures to reduce mother-to-child transmission have been proven to be essential in the fight against AIDS. We have recognised the importance of addressing the stigmatisation and discrimination, and of providing safe and supportive environments for people affected by HIV/AIDS.

The experiences of Uganda, Senegal and Thailand have shown that serious investments in and mobilisation around these actions make a real difference. Stigma and discrimination can be stopped; new infections can be prevented; and the capacity of families and communities to care for people living with HIV and AIDS can be enhanced.

The challenge is to move from rhetoric to action, and action at an unprecedented intensity and scale. There is a need for us to focus on what we know works.

- We need to break the silence, banish stigma and discrimation, and ensure total inclusiveness within the struggle against AIDS;
- We need bold initiatives to prevent new infections among young people, and large-scale actions to prevent mother-to-child transmission, and at the same time we need to continue the international effort of searching for appropriate vaccines;
- We need to aggressively treat opportunistic infections; and
- We need to work with families and communities to care for children and young people to protect them from violence and abuse, and to ensure that they grow up in a safe and supportive environment.

For this there is need for us to be focussed, to be strategic, to mobilise all of our resources and alliances, and to sustain the effort until this war is won.

We need, and there is increasing evidence of, African resolve to fight this war. Others will not save us if we do not primarily commit ourselves. Let us, however, not underestimate the resources required to conduct this battle. Partnership with the international community is vital. A constant theme in all our messages has been that in this interdependent and globalised world, we have indeed again become the keepers of our brothers and sisters. That cannot be more graphically the case than in the common fight against HIV/AIDS.

Excerpt from Nelson Mandela's closing statement at the 13th International AIDS Conference, Durban, 14 July 2000.

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